Stock Code: 1709

FUCC

FORMOSAN UNION CHEMICAL CORP.

Handbook 2023

Annual Shareholders' Meeting

Convening Method : Physical Shareholders Meeting
Date: June 16, 2023
Place: 9F, Rm 901, No.350, Songjiang Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)
(Importers and Exporters Association of Taipei, Songjiang Building)

DISCLAIMER

This is a translation of the Handbook for the 2023 Annual Shareholders' Meeting (THE "Handbook") of **FORMOSAN UNION CHEMICAL CORP.** (The "Company"). This translation is intended for reference only and nothing else, the Company hereby disclaims and all liabilities whatsoever for the translation. The Chinese text of the agenda shall govern any and all matters related to the interpretation of the subject matter stated herein.

2023 Annual Shareholders' Meeting
(Translation)

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Formosan Union Chemical Corp.
Agenda for the 2023 Annual Meeting of Shareholders

Convening Method : Physical Shareholders Meeting

Time: 9:00 am, June 16, 2023 (Friday)

Place: 9F., Room 901, No. 350, Songjiang Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)
(Importers and Exporters Association of Taipei, Songjiang Building)

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Report Items

Item 1　2022 Business Report

1. In 2022, the sales revenue was NTD 8,196,847 thousand, an increase of 24.15% over the year 2021 of NTD 6,602,635 thousand. The main reason for the increase was the impact of rising crude oil prices, it promoted the profit in the first half of the year. In the second half of the year, affected by the interest rate hike by the U.S. Federal Reserve, the business climate declined sharply. Under the double pressure of declining demand and high-priced raw materials in stock, the peers began to reduce utilization rates and cut prices for sales. The overall sales volume was slightly lower than last year, but both turnover and profit increased compared with last year.

2. 2023 Business Outlook

   Looking ahead to 2023,

   After gradually getting rid of the impact of the Covid-19 epidemic and the war between Russia and Ukraine, however, the unfavorable factors such as inflation and interest rate hikes leading to the international economic recession have not dissipated, and the overall demand continues to be sluggish. The company will actively eliminate high-priced inventory while maintaining production utilization, in order to cope with the rapidly changing market.

   Facing the trend of environmental protection and carbon reduction, the Company will complete the third-party verification of the carbon footprint of the main products this year, and move towards the direction of low carbon emissions. In recent years, based on the concept of sustainable development and diversified management, it has actively deployed green energy power generation and promoted soil remediation business.

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(Sealed) Chairman:	(Sealed) President:	(Sealed) Accountant in Chief:	(Sealed) Accountant:

Item II 2022 Audit Committee Review Report

Formosan Union Chemical Corp.

Audit Committee’s review report on the 2022

To the 2023 Annual Shareholders’ Meeting of Formosan Union Chemical Corp.,

The Board of Directors has prepared and submitted the Company's 2022 business report, financial statements and the profit distribution proposal, among which the financial statements (including consolidated financial statements) had been audited by Wen-Yuan Zhuang and Gong, Ze-Li CPAs of Deloitte & Touche, who also provided an auditor's report. The above business report, financial statements and the profit distribution proposal have been reviewed by the Audit Committee to be without any discrepancies. This report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review and approve the same.

The Convener of the Audit Committee : Zhuo, Xun-Rong

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March 23, 2023

Item III 2022 Employee and Director Remuneration Distribution Report

1. In accordance with the Article 32 of Article of Incorporation of the Company, the Company shall pay remuneration NT$34,863,915 for employees' compensation and NT$34,863,915 for directors. The aforesaid items will be paid in cash.
2. The employees' compensation and Directors' remuneration were approved by the 19th Board meeting of the 17th term and shall be reported to the Annual 2023 shareholders' meeting.

Item IV Report of the Amendment to the FUCC "The Rules of Procedures for the Board of Directors' Meeting"

Certain articles of "The Rules of Procedures for the Board of Directors' Meeting" has been amended according to the letter Jin-Kuang-Cheng-Fa-Tze No.-11103832635 of the FSC on August 5, 2022.

The Comparison Table of Amended Articles of " The Rules of Procedures for the Board of Directors' Meeting " has approved by the 18th Board meeting of the 17th term. The Comparison Table of Amended Articles of "The Rules of Procedures for the Board of Directors' Meeting" is attached. (Please refer to this Handbook pp. 39～41.).

Item V Report of the Amendment to the FUCC "Procedures for Ethical Management and Guidelines for Conduct"

In line with the description of No. 4.2 of the " Corporate Governance Evaluation Indicators of 2022 " announced by Taiwan Stock Exchange Co., Ltd., Article 5 of the responsible unit is revised.

The Comparison Table of Amended Articles of "Procedures for Ethical Management and Guidelines for Conduct " has approved by the 18th Board meeting of the 17th term. The Comparison Table is attached. (Please refer to this Handbook p.42).

Ratification Items

Proposal 1 2022 Financial Statements Proposal for ratification.

(Proposed by the Board of Directors)

Explanatory Notes:

(1) Business Report (Please refer to the Handbook page 3).

(2) Financial Statements (Please refer to the Handbook pp. 7~30).

The list of above has approved by the 19th Board meeting of the 17th term and has been audited as well as by the Audit Committee. The ratification of the Annual 2023 Shareholders' Meeting is respectfully requested.

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Independent Auditor's Report

To: Formosan Union Chemical Corporation:

Independent Auditor's opinion

We have audited the accompanying balance sheet of Formosan Union Chemical Corporation and subsidiaries as of December 31, 2022 and 2021 and the related statements of income, retained earnings, cash flows and notes (including the summary of major accounting policies) to the consolidated financial statements for the years then ended.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Formosan Union Chemical Corporation and subsidiaries as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Firms," International Financial Reporting Standards (IFRSs) that was recognized by the Financial Supervisory Commission, International Accounting Standards (IAS), Interpretations, and Notices (IFRS), Interpretation (IFRIC) and Interpretative Announcement (SIC).

Basis of an audit opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. The responsibilities of the independent auditors under these standards will be further explained in the audit performed on the consolidated financial statements. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of Formosan Union Chemical Corporation and subsidiaries in accordance with the Code of Ethics and have performed other responsibilities of the Code of Ethics. We believe that our audit provides a reasonable basis for our opinion.

Key Audit Matters

The key audit matters refer to the most important matters in auditing the 2022 consolidated financial statements of Formosan Union Chemical Corporation and subsidiaries in accordance with the professional judgment of the independent auditors. These matters have been handled during the process of reviewing the consolidated financial statements as a whole with audit opinions formed. We do not express an independent opinion on these matters.

The independent auditor determined that the key audit matters of Formosan Union Chemical Corporation and subsidiaries to be communicated in the 2022 consolidated financial statements are as follows:

The sales income generated from export customers

Formosan Union Chemical Corporation and subsidiaries generate income mainly from the sales of alkylbenzene (dodecylbenzene), normal olefins, petroleum resins, and alkanols (nonylphenol), of which, the trading conditions agreed with the export customers are to recognize income when the products are loaded on board and the bill of lading is delivered to the customer. The income from the said export sales had grown materially and continuously in 2022. The occurrence of the said export sales had a material impact on the 2022 consolidated financial statements; therefore, the independent accountant had it classified as a key audit matter in 2022. Please refer to Notes IV and XXVI for the accounting policies and information on income recognition.

The independent auditor considers the income recognition policy and trade conditions for such important matter of the consolidated company with the main auditing procedures implemented as follows:

1. Understand and test the effectiveness of internal control design and implementation related to this type of sales income.
2. Randomly sample from the sales income transactions conducted with export customers to check the “Bill of Lading,” “Invoice,” and related shipping documents.
3. Check whether there is a major sales return or discount occurred afterwards by this type of customers as of the inspection report date.

Other matters

Formosan Union Chemical Corporation has prepared stand-alone financial reports for the years of 2022 and 2021. The independent auditors have issued an unqualified opinion on the financial reports for reference.

The responsibility of the management and governance unit for the consolidated financial statements

The responsibility of the management is to have the consolidated financial statements presented fairly, in all material respects, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms,” International Financial Reporting Standards (IFRS) that was recognized by the Financial Supervisory Commission, International

Accounting Standards, Interpretations, and Notices (IFRS), Interpretation (IFRIC) and Interpretative Announcement (SIC). Also, maintain the necessary internal controls related to the consolidated financial statements to ensure that the consolidated financial statements are free of any material misstatement arising from frauds or errors.

The management's responsibility while preparing the consolidated financial statements also includes assessing the continuing operation of Formosan Union Chemical Corporation and subsidiaries, the disclosure of the relevant matters, and the adoption of the continuing operation accounting base, unless the management intends to liquidate Formosan Union Chemical Corporation and subsidiaries or cease the business operation, or there is lack of any option except for liquidation or suspension.

The governance unit (including the Audit Committee) of Formosan Union Chemical Corporation and subsidiaries is responsible for supervising the financial reporting process.

The independent auditor's responsibility for auditing the consolidated financial statements

The purpose of the independent auditor's auditing the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement arising from frauds or errors and with an audit report issued. Reasonable assurance means high assurance. However, the audit conducted in accordance with generally accepted auditing standards does not guarantee having any material misstatements in the consolidated financial statements detected. Material misstatement could be arising from frauds or errors. If the misstated amount or aggregated amount is reasonably expected to affect the economic decisions made by the readers of the consolidated financial statements, it is considered significant.

The independent auditors when conducting the audit in accordance with generally accepted auditing standards shall exercise professional judgment and maintain professional suspicion. The independent auditors also perform the following tasks:

1. Identify and evaluate the risk of material misstatement arising from frauds or errors of the consolidated financial statements; design and implement proper responsive measures for the assessed risks; also, obtain sufficient and adequate audit evidences for forming an audit opinion. Frauds may involve conspiracy, forgery, deliberate omission, false declaration, or violation of internal control; therefore, the risk of material misstatement arising from frauds is higher than that caused by errors.
2. Obtain necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to

express an opinion on the effectiveness of the internal control of Formosan Union Chemical Corporation and subsidiaries.

3. Assess the appropriateness of the accounting policies adopted by the management; also, the reasonableness of the accounting estimates and related disclosures made.
4. Base on the audit evidence obtained to make conclusions on the suitability of the continuing operation accounting base adopted by the management and whether or not the events or circumstances causing material doubts to the continuing operation ability of Formosan Union Chemical Corporation and subsidiaries are with material uncertainties. If the independent auditors believe that such events or circumstances are with significant uncertainties, it is necessary to remind the readers of the consolidated financial statements in the audit report to pay attention to the relevant disclosure or to revise the audit opinion when such disclosures are inappropriate. The conclusion of the independent auditors is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may result in the inability of Formosan Union Chemical Corporation and subsidiaries to operate continuously.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including the relevant notes) and whether or not the relevant transactions and events in the consolidated financial statements are presented fairly.
6. Obtain sufficient and appropriate audit evidences on the financial information of the individual business entity within Formosan Union Chemical Corporation and subsidiaries in order to express an opinion on the consolidated financial statements. The independent auditors are responsible for guiding, supervising, and implementing the auditing process of the Group; also, is responsible for forming an opinion on the audit of the Group.

The matters communicated by the independent auditors to the governance unit include the scope and timing of the planned audit, and the material findings (including the major nonconformities of internal controls identified in the auditing process).

The independent auditors have provided to the governance unit the declaration of independence of the CPA Firm personnel subject to the Code of Ethics; also, have communicated with the governance unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the independent auditors.

The independent auditors have based on the communications with the governance unit to determine the key audit matters to be performed on the 2022 consolidated financial statements of Formosan Union Chemical Corporation and subsidiaries. The independent auditors shall state the key audit matters in the audit report except for the specific matters prohibited from being disclosed by law and regulations, or, in rare cases; the independent auditors decide not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public interest.

Deloitte & Touche

CPA Wen-Yuan Chuang	CPA Tza-Li Gung
Certificate issued by the Financial Supervisory Commission	Certificate issued by the Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1090347472	Jin-Guan-Zheng-Shen-Zi No. 1000028068

March 23, 2023

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NT$ Thousand

Code	Assets	12/31/2022 Amount	%	12/31/2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note IV & VI)	$ 1,203,266	9	$ 649,114	6
1110	Financial assets measured at fair value through profit or loss – current (Note IV & VII)	230,890	2	224,245	2
1136	Financial assets measured at the amortized cost – current (Note IV & IX)	132,660	1	25,000	-
1150	Notes receivable (Note IV, X, & XXVI)	170,643	1	172,355	2
1170	Accounts receivable – net (Note IV, X, & XXVI)	913,506	7	990,562	9
1200	Other receivable (Note IV and X)	63,634	1	48,774	-
1210	Other receivable – related party (Note IV, X, & XXXIII)	3,252	-	713	-
1220	Income tax assets – current (Note IV & XXVIII)	4,176	-	9,948	-
130X	Inventory – net (Note IV & XI)	3,888,504	29	3,164,403	27
1410	Prepayment (Note XIX)	139,511	1	243,964	2
1470	Other current assets	7,341	-	4,600	-
11XX	Total current assets	6,757,383	51	5,533,678	48
	Noncurrent assets				
1517	Financial assets measured at fair value through other comprehensive profit or loss – noncurrent (Note IV & VIII)	987,471	7	556,795	5
1535	Financial assts – noncurrent measured at the amortized cost (Note IV & IX)	-	-	40,000	-
1550	Investment under the equity method (Note IV & XIII)	790,519	6	795,852	7
1600	Property, plant, and equipment (Note IV, XIV, XXXIII, & XXXIV)	3,765,307	28	3,897,733	34
1755	Right-of-use assets (Note IV & XV)	499,023	4	300,776	3
1760	Investment property – net (Note IV, XVI, & XXXIV)	9,220	-	44,310	-
1805	Goodwill (Note IV & XVII)	91,897	1	91,897	1
1821	Intangible assets (Note IV & XVIII)	1,879	-	2,729	-
1840	Deferred income tax assets (Note IV & XXVIII)	224,738	2	208,780	2
1915	Prepaid equipment (Note XIX and XXXIII)	84,443	1	65,171	-
1920	Refundable deposit (Note IV and XIX)	9,698	-	6,548	-
1975	Net defined benefit assets – Noncurrent (Note IV and XXIV)	7,633	-	-	-
1990	Other noncurrent assets (Note XIX & XXXIV)	41,121	-	43,419	-
15XX	Total noncurrent assets	6,512,949	49	6,054,010	52
1XXX	Total assets	$ 13,270,332	100	$ 11,587,688	100
Code	**Liabilities and Shareholders' equity**				
	Current liabilities				
2100	Short-term loans (Note XX, XXXIII, and XXXIV)	$ 2,141,000	16	$ 1,627,445	14
2150	Notes payable (Note XXI)	9,856	-	12,647	-
2170	Accounts payable (Note XXI)	779,937	6	460,987	4
2180	Accounts payable – related party (Note XXI & XXXIII)	-	-	12,308	-
2219	Other payables (Note XXII)	654,518	5	649,192	6
2220	Other payables – related party (Note XXII and XXXIII)	1,582	-	155	-
2230	Income tax liabilities – current (Note IV & XXVIII)	211,995	2	52,209	-
2250	Liability reserve – current (Note IV & XXIII)	26,260	-	27,701	-
2280	Lease liability – current (Note IV & XV)	23,313	-	38,354	-
2320	Long-term loans due within 1 year (Note XX & XXXIV)	4,146	-	212,404	2
2399	Other current liabilities (Note XXII & XXVI)	26,744	-	57,479	1
21XX	Total current liabilities	3,879,351	29	3,150,881	27
	Noncurrent liabilities				
2540	Long-term loans (Note XX & XXXIV)	104	-	3,281	-
2570	Deferred income tax liabilities (Note IV & XXVIII)	330,133	2	239,829	2
2580	Lease liabilities – noncurrent (Note IV & XV)	486,852	4	267,848	3
2640	Net defined benefit liabilities – noncurrent (Note IV & XXIV)	22,064	-	28,284	-
2670	Other noncurrent liabilities	2,144	-	-	-
25XX	Total noncurrent liabilities	841,297	6	539,242	5
2XXX	Total liabilities	4,720,648	35	3,690,123	32
	Equity attributable to the company's shareholders				
3110	Common stock capital	4,770,163	36	4,770,163	41
3200	Additional paid-in capital	77,090	1	181,715	2
	Retained earnings				
3310	Legal reserve	1,074,510	8	980,063	8
3320	Special reserve	251,175	2	251,175	2
3350	Unappropriated earnings	1,491,746	11	1,223,208	11
3300	Total retained earnings	2,817,431	21	2,454,446	21
	Other equities				
3410	Exchange difference from the conversion of financial statements of foreign operation institution	(25,070)	-	(42,623)	-
3420	Unrealized profit or loss in valuation of financial assets measured at fair value through other comprehensive profit or loss	633,578	5	258,445	2
3400	Total other equities	608,508	5	215,822	2
31XX	Total shareholders'' equity	8,273,192	63	7,622,146	66
36XX	Non-controlling interest	276,492	2	275,419	2
3XXX	Total equity	8,549,684	65	7,897,565	68
	Total Liabilities and Shareholders' equity	$ 13,270,332	100	$ 11,587,688	100

The Notes enclosed are an integral part of the Consolidated Financial Statements.

Chairman： CEO： CFO： Accountant：

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Income Statement

January 1 – December 31, 2022 and 2021

Unit: NT$ Thousand; except for earnings per share in NT$

Code		2022 Amount	2022 %	2021 Amount	2021 %
4100	Operating income – net (Note IV, XXVI, & XXXIII)	$10,571,226	100	$ 9,199,154	100
5110	Operating cost (Note IV, XI, XXVII, & XXXIII)	8,622,732	82	7,061,389	77
5900	Gross profit	1,948,494	18	2,137,765	23
5920	Realized sales profit	899	-	750	-
5950	Realized gross profit	1,949,393	18	2,138,515	23
	Operating expense (Note X & XXVII)				
6100	Marketing expense	590,785	6	597,660	6
6200	Managerial expense	258,191	2	253,639	3
6300	R&D expense	71,723	1	69,293	1
6450	Expected credit impairment reversed profit	(69)	-	(773)	-
6000	Total operating expense	920,630	9	919,819	10
6900	Net operating income	1,028,763	9	1,218,696	13
	Non-operating income and expense				
7100	Interest income (Note XXVII)	15,149	-	1,257	-
7010	Other income (Note XXVII & XXXIII)	58,235	1	52,614	-
7020	Other profit and loss (Note XXVII)	235,738	2	(298,873)	(3)
7060	Profit or loss ratio from associates and joint venture under the equity method (Note XIII)	37,227	-	58,447	1
7050	Financial cost (Note XXVII & XXXIII)	(33,206)	-	(22,062)	-
7000	Total non-operating income and expense	313,143	3	(208,617)	(2)
7900	Net income before tax	1,341,906	12	1,010,079	11
7950	Income tax expense (Note IV & XXVIII)	260,583	2	91,022	1
8200	Net income	1,081,323	10	919,057	10

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Code		2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive profit or loss				
8310	Items not-reclassified to profit or loss:				
8311	Defined benefit plan re-measurement amount (Note XXIV)	$ 10,759	-	$ 6,930	-
8316	Unrealized profit or loss in valuation of equity instrument investment measured at fair value through other comprehensive profit or loss (Note VIII & XXV)	455,412	5	92,855	1
8349	Income tax related to non-reclassified items (Note XXVIII)	96,841	1	25,444	-
		369,330	4	74,341	1
8360	Items could be reclassified to profit or loss subsequently:				
8361	Exchange difference from conversion of financial statements of foreign operating institution (Note XXV)	22,004	-	(6,041)	-
8399	Income tax related to items could be reclassified to profit or loss (Note XXVIII)	4,388	-	(1,205)	-
		17,616	-	(4,836)	-
8300	Total other comprehensive profit or loss	386,946	4	69,505	1
8500	Total comprehensive profit or loss – current	$ 1,468,269	14	$ 988,562	11
	Net income (loss) attributable to:				
8610	The company's shareholders	$ 1,084,639	10	$ 947,587	10
8620	Non-controlling interest	(3,316)	-	(28,530)	-
8600		$ 1,081,323	10	$ 919,057	10
	Comprehensive profit or loss attributable to:				
8710	The company's shareholders	$ 1,471,195	14	$ 1,016,970	11
8720	Non-controlling interest	(2,926)	-	(28,408)	-
8700		$ 1,468,269	14	$ 988,562	11
	Earnings per share (Note XXIX)				
9710	Basic	$ 2.27		$ 1.99	
9810	Diluted	$ 2.27		$ 1.98	

The Notes enclosed are an integral part of the Consolidated Financial Statements.

Chairman： CEO： CFO： Accountant：

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Statement of Retained Earnings

January 1 – December 31, 2022 and 2021

Unit: NT$ Thousand

		Equity attributable to the company's shareholders												
		Capital stock (Note XXV)			Retained earnings (Note VIII & XXV)				Other equities (Note VIII & XXV)					
Code		Shares (Thousand)	Amount	Additional paid-in capital (Note XXV & XXXI)	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange difference from the conversion of financial instruments of foreign operating institution	Unrealized profit or loss in valuation of financial assets measured at fair value through other comprehensive profit or loss	Total	Total	Non-controlling interest (Note XII, XXV & XXXI)	Total equity
A1	Balance – 1/1/2021	477,016	$ 4,770,163	$ 182,565	$ 925,118	$ 251,175	$ 906,104	$ 2,082,397	($ 37,805)	$ 181,126	$ 143,321	$ 7,178,446	$ 306,501	$ 7,484,947
	The 2020 earnings appropriation and distribution													
B1	Legal reserve	-	-	-	54,945	-	(54,945)	-	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(572,420)	(572,420)	-	-	-	(572,420)	-	(572,420)
		-	-	-	54,945	-	(627,365)	(572,420)	-	-	-	(572,420)	-	(572,420)
D1	Net income (loss) - 2021	-	-	-	-	-	947,587	947,587	-	-	-	947,587	(28,530)	919,057
D3	Other comprehensive profit or loss after tax – 2021	-	-	-	-	-	5,403	5,403	(4,818)	68,798	63,980	69,383	122	69,505
D5	Total comprehensive profit or loss – 2021	-	-	-	-	-	952,990	952,990	(4,818)	68,798	63,980	1,016,970	(28,408)	988,562
M7	Changes in the equity of the subsidiary owned by the company	-	-	(850)	-	-	-	-	-	-	-	(850)	898	48
O1	Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(3,572)	(3,572)
Q1	Disposal of equity instrument measured at fair value through other comprehensive profit or loss	-	-	-	-	-	(8,521)	(8,521)	-	8,521	8,521	-	-	-
Z1	Balance – 12/31/2021	477,016	4,770,163	181,715	980,063	251,175	1,223,208	2,454,446	(42,623)	258,445	215,822	7,622,146	275,419	7,897,565
	The 2021 earnings appropriation and distribution													
B1	Legal reserve	-	-	-	94,447	-	(94,447)	-	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(715,524)	(715,524)	-	-	-	(715,524)	-	(715,524)
		-	-	-	94,447	-	(809,971)	(715,524)	-	-	-	(715,524)	-	(715,524)
C15	Cash dividend from additional paid-in capital	-	-	(95,403)	-	-	-	-	-	-	-	(95,403)	-	(95,403)
D1	Net income (loss) - 2022	-	-	-	-	-	1,084,639	1,084,639	-	-	-	1,084,639	(3,316)	1,081,323
D3	Other after-tax profit or loss - 2022	-	-	-	-	-	8,280	8,280	17,553	360,723	378,276	386,556	390	386,946
D5	Total comprehensive profit or loss – 2022	-	-	-	-	-	1,092,919	1,092,919	17,553	360,723	378,276	1,471,195	(2,926)	1,468,269
M7	Changes in the equity of the subsidiary owned by the company	-	-	(9,222)	-	-	-	-	-	-	-	(9,222)	9,222	-
O1	Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(5,223)	(5,223)
Q1	Disposal of equity instrument measured at fair value through other comprehensive profit or loss	-	-	-	-	-	(14,410)	(14,410)	-	14,410	14,410	-	-	-
Z1	Balance – 12/31/2022	477,016	$ 4,770,163	$ 77,090	$ 1,074,510	$ 251,175	$ 1,491,746	$ 2,817,431	($ 25,070)	$ 633,578	$ 608,508	$ 8,273,192	$ 276,492	$ 8,549,684

The Notes enclosed are an integral part of the Consolidated Financial Statements.

Chairman： CEO： CFO： Accountant：

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Statement of Cash Flows

January 1 – December 31, 2022 and 2021

Unit: NT$ Thousand

Code		2022	2021
	Cash flow from operating activities		
A00010	Net income before tax	$ 1,341,906	$ 1,010,079
A20010	Income and expense items		
A20100	Depreciation expense	250,789	277,735
A20200	Amortization expense	1,549	1,506
A20300	Expected credit impairment reversed profit	(69)	(773)
A20400	Net profit of financial assets measured at fair value through profit or loss	(106,127)	(19,381)
A20900	Financial cost	33,206	22,062
A21200	Interest income	(15,149)	(1,257)
A21300	Dividend income	(25,234)	(22,054)
A22300	Profit ratio from associates and joint venture under the equity method	(37,227)	(58,447)
A22500	Loss (profit) from the disposal of property, plant, and equipment	1,131	(260)
A22700	Profit from the disposal of investment property	(7,556)	(54,923)
A23700	Impairment loss of non-financial assets	-	350,036
A23800	Loss (reversed profit) from the valuation of inventory	14,938	(27,199)
A24000	Realized sales profit with joint venture	(899)	(750)
A24100	Exchange loss – net	8,969	735
A29900	Profit from lease betterment	(1)	(34)
A30000	Changes in operating assets and liabilities – net		
A31115	Financial assets measured at fair value through profit or loss mandatorily	99,482	(90,682)
A31130	Notes receivable	1,712	16,760
A31150	Accounts receivable	67,876	(104,024)
A31160	Accounts receivable – related party	-	74,368
A31180	Other receivable	(12,678)	(23,008)
A31190	Other receivable – related party	(2,539)	(191)
A31200	Inventories	(738,489)	(854,841)
A31230	Prepayment	102,235	(72,360)
A31990	Defined benefit assets – net	(7,633)	-
A31240	Other current assets	(3,599)	2,568
A32130	Notes payable	(2,791)	986

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Code		2022	2021
A32150	Accounts payable	$ 320,284	$ 259,610
A32160	Accounts payable – related party	(12,308)	12,350
A32180	Other payable	(1,768)	161,854
A32190	Other payable – related party	1,427	18
A32200	Liability reserve	(1,441)	2,003
A32230	Other current liabilities	(30,634)	31,878
A32240	Defined benefit liabilities – net	4,539	(38,131)
A33000	Cash from operating activities	1,243,901	856,233
A33100	Interest collected	12,959	1,187
A33200	Dividend collected	25,234	22,054
A33300	Interest paid	(32,563)	(22,495)
A33500	Income tax paid	(121,908)	(247,188)
AAAA	Net cash inflow from operating activities	1,127,623	609,791
	Cash flow from investing activities		
B00010	Acquisition of financial assets measured at fair value through comprehensive profit or loss	(5,000)	-
B00030	Refund of capital reduction of financial assets measured at fair value through other comprehensive profit or loss	29,736	37,785
B00040	Acquisition of financial assets measured at the amortized cost	(108,700)	(1,700)
B00050	Disposal of financial assets measured at the amortized cost	40,000	-
B01800	Acquisition of investment under the equity method	(13,500)	(20,000)
B02400	Refund of capital reduction of invested companies under the equity method	68,951	-
B02700	Acquisition of property, plant, and equipment	(55,768)	(70,027)
B02800	Disposal of property, plant, and equipment	1,261	518
B03700	Increase in refundable deposit	(2,267)	(1,278)
B04500	Acquisition of intangible assets	(699)	(1,797)
B05500	Disposal of investment property	42,344	56,454
B06700	Decrease (increase) in noncurrent assets	2,298	(16)
B07100	Increase in prepaid equipment	(30,823)	(42,331)
B07600	Dividend collected from associates and joint venture	8,886	3,251
BBBB	Net cash outflow from investing activities	(23,281)	(39,141)
	Cash flow from financing activities		
C00200	Increase (decrease) in short-term loans	513,555	(131,463)
C01700	Liquidated long-term loans	(211,435)	(108,056)
C03100	Increase (decrease) in deposits received	2,032	(151)
C04020	Liquidated lease liability principal	(38,931)	(69,483)

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Code		2022	2021
C04500	Distribution of cash dividend	($ 810,927)	($ 572,420)
C05800	Changes in non-controlling interest	(5,223)	(3,572)
CCCC	Net cash outflow from financing activities	(550,929)	(885,145)
DDDD	Effect of changes in exchange rate on cash and cash equivalents	739	(105)
EEEE	Net increase (decrease) in cash and cash equivalents	554,152	(314,600)
E00100	Balance of cash and cash equivalents – beginning	649,114	963,714
E00200	Balance of cash and cash equivalents – ending	$ 1,203,266	$ 649,114

The Notes enclosed are an integral part of the Consolidated Financial Statements.

Chairman： CEO： CFO： Accountant：

Independent Auditor's Report

To: Formosan Union Chemical Corporation:

Independent Auditor's opinion

We have audited the accompanying balance sheet of Formosan Union Chemical Corporation as of December 31, 2022 and 2021 and the related statements of income, retained earnings, cash flows and notes (including the summary of major accounting policies) to the financial statements for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Formosan Union Chemical Corporation as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Firms."

Basis of an audit opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. The responsibilities of the independent auditors under these standards will be further explained in the audit performed on the financial statements. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of Formosan Union Chemical Corporation in accordance with the Code of Ethics and have performed other responsibilities of the Code of Ethics. We believe that our audit provides a reasonable basis for our opinion.

Key Audit Matters

The key audit matters refer to the most important matters in auditing the 2022 financial statements of Formosan Union Chemical Corporation in accordance with the professional judgment of the independent auditors. These matters have been handled during the process of reviewing the financial statements as a whole with audit opinions formed. We do not express an independent opinion on these matters.

The independent auditor determined that the key audit matters of Formosan Union Chemical Corporation to be communicated in the 2022 financial statements are as follows:

The sales income generated from export customers

Formosan Union Chemical Corporation generates income mainly from the sales of alkylbenzene (dodecylbenzene), normal olefins, petroleum resins, and alkanols (nonylphenol), of which, the trading conditions agreed with the export customers are to recognize income when the products are loaded on board and the bill of lading is delivered to the customer. The income from the said export sales had grown materially and continuously in 2022. The occurrence of the said export sales had a material impact on the 2022 financial statements; therefore, the independent accountant had it classified as a key audit matter in 2022. Please refer to Notes IV and XXIV for the accounting policies and information on income recognition.

The independent auditor considers the income recognition policy and trade conditions for such important matters with the main auditing procedures implemented as follows:

1. Understand and test the effectiveness of internal control design and implementation related to this type of sales income.
2. Randomly sample from the sales income transactions conducted with export customers to check the “Bill of Lading,” “Invoice,” and related shipping documents.
3. Check whether there is a major sales return or discount that occurred afterward by this type of customer as of the inspection report date.

The responsibility of the management and governance unit for the financial statements

The responsibility of the management is to have the financial statements presented fairly, in all material respects, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms;” also, maintained the necessary internal controls related to the financial statements to ensure that the financial statements are free of any material misstatement arising from frauds or errors.

The management’s responsibility while preparing the financial statements also includes assessing the continuing operation of Formosan Union Chemical Corporation, the disclosure of the relevant matters, and the adoption of the continuing operation accounting base, unless the management intends to liquidate Formosan Union Chemical Corporation or cease the business operation, or there is lack of any option except for liquidation or suspension.

The governance unit (including the Audit Committee) of Formosan Union Chemical Corporation is responsible for supervising the financial reporting process.

The independent auditor’s responsibility for auditing the financial statements

The purpose of the independent auditor’s auditing the financial statements is to obtain reasonable assurance about whether the financial statements are free of material misstatement arising from frauds or errors and with an audit report issued. Reasonable assurance means high assurance. However, the audit conducted in accordance with generally accepted auditing standards does not guarantee having any material misstatements in the financial statements detected. Material misstatement could be arising from frauds or errors. If the misstated amount or aggregated amount is reasonably expected to affect the economic decisions made by the readers of the financial statements, it is considered significant.

The independent auditors when conducting the audit in accordance with generally accepted auditing standards shall exercise professional judgment and maintain professional suspicion. The independent auditors also perform the following tasks:

1. Identify and evaluate the risk of material misstatement arising from frauds or errors of the financial statements; design and implement proper responsive measures for the assessed risks; also, obtain sufficient and adequate audit evidence for forming an audit opinion. Frauds may involve conspiracy, forgery, deliberate omission, false declaration, or violation of internal control; therefore, the risk of material misstatement arising from fraud is higher than that caused by errors.
2. Obtain necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Formosan Union Chemical Corporation
3. Assess the appropriateness of the accounting policies adopted by the management; also, the reasonableness of the accounting estimates and related disclosures made.
4. Base on the audit evidence obtained to make conclusions on the suitability of the continuing operation accounting base adopted by the management and whether or not the events or circumstances causing material doubts to the continuing operation ability of Formosan Union Chemical Corporation are with material uncertainties. If the independent auditors believe that such events or circumstances are with significant uncertainties, it is necessary to remind the readers of the financial statements in the audit report to pay attention to the relevant disclosure or to revise the audit opinion when such disclosures are inappropriate. The conclusion of the independent auditors is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may result in the inability of Formosan Union Chemical Corporation to operate continuously.
5. Evaluate the overall presentation, structure, and content of the financial statements (including the relevant notes) and whether or not the relevant transactions and events in the financial statements are presented fairly.
6. Obtain sufficient and appropriate audit evidences on the financial information of the individual business entity within Formosan Union Chemical Corporation in order to

express an opinion on the financial statements. The independent auditors are responsible for guiding, supervising, and implementing the auditing process; also, is responsible for forming an opinion on the audit of Formosan Union Chemical Corporation

The matters communicated by the independent auditors to the governance unit include the scope and timing of the planned audit, and the material findings (including the major nonconformities of internal controls identified in the auditing process).

The independent auditors have provided to the governance unit the declaration of independence of the CPA Firm personnel subject to the Code of Ethics; also, have communicated with the governance unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the independent auditors.

The independent auditors have based on the communications with the governance unit to determine the key audit matters to be performed on the 2022 financial statements of Formosan Union Chemical Corporation The independent auditors shall state the key audit matters in the audit report except for the specific matters prohibited from being disclosed by law and regulations, or, in rare cases; the independent auditors decide not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public interest.

Deloitte & Touche

CPA Wen-Yuan Chuang	CPA Tza-Li Gung
Certificate issued by the Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi No. 1090347472	Certificate issued by the Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi No. 1000028068

March 23, 2023

Formosan Union Chemical Corporation

Balance Sheet

December 31, 2022 and 2021

NT$ Thousand

Code	Assets	12/31/2022 Amount	%	12/31/2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note IV & VI)	$ 760,775	7	$ 501,676	5
1110	Financial assets measured at fair value through profit or loss – current (Note IV & VII)	131,641	1	60,512	1
1136	Financial assets measured at the amortized cost – current (Note IV & IX)	30,660	-	-	-
1160	Notes receivable – related party (Note IV, X, XXIV, & XXXI)	617	-	502	-
1170	Accounts receivable (Note IV, X, & XXIV)	629,569	6	727,895	8
1180	Accounts receivable – related party (Note IV, X, XXIV, & XXXI)	37,026	-	38,623	-
1200	Other receivable (Note IV and X)	43,520	-	30,146	-
1210	Other receivable – related party (Note IV, X, & XXXI)	3,678	-	1,395	-
130X	Inventory – net (Note IV & XI)	2,817,667	25	2,158,390	23
1410	Prepayment (Note XVII)	112,162	1	27,434	-
1470	Other current assets (Note XVII)	5,309	-	1,503	-
11XX	Total current assets	4,572,624	40	3,548,076	37
	Noncurrent assets				
1517	Financial assets measured at fair value through other comprehensive profit or loss – noncurrent (Note IV & VIII)	786,169	7	356,870	4
1535	Financial assts – noncurrent measured at the amortized cost (Note IV & IX)	-	-	40,000	-
1550	Investment under the equity method (Note IV & XII)	4,135,927	37	3,950,597	42
1600	Property, plant, and equipment (Note IV, XIII, XXXI, & XXXII)	1,193,038	11	1,228,416	13
1755	Right-of-use assets (Note IV, XIV, & XXXI)	122,842	1	28,702	-
1760	Investment property – net (Note IV, XV, & XXXII)	141,262	1	141,909	2
1780	Intangible assets (Note IV & XVI)	1,256	-	1,522	-
1840	Deferred income tax assets (Note IV & XXVI)	186,630	2	178,737	2
1990	Other noncurrent assets (Note XVII & XXXII)	54,228	1	29,697	-
15XX	Total noncurrent assets	6,621,352	60	5,956,450	63
1XXX	Total assets	$ 11,193,976	100	$ 9,504,526	100
Code	**Liabilities and Shareholders' equity**				
	Current liabilities				
2100	Short-term loans (Note XVIII)	$ 1,065,000	10	$ 637,617	7
2150	Notes payable (Note XIX)	9,821	-	12,631	-
2170	Accounts payable (Note XIX)	669,241	6	378,349	4
2180	Accounts payable – related party (Note XIX & XXXI)	23,330	-	40,286	-
2219	Other payables (Note XX)	454,246	4	417,235	4
2220	Other payables – related party (Note XX and XXXI)	2,982	-	2,500	-
2230	Income tax liabilities – current (Note IV & XXVI)	190,010	2	41,605	1
2250	Liability reserve – current (Note IV & XXI)	13,617	-	16,529	-
2280	Lease liability – current (Note IV, XIV, & XXXI)	32,529	-	28,101	-
2399	Other current liabilities (Note XX & XXIV)	15,703	-	41,429	1
21XX	Total current liabilities	2,476,479	22	1,616,282	17
	Noncurrent liabilities				
2570	Deferred income tax liabilities (Note IV & XXVI)	326,847	3	236,165	3
2580	Lease liabilities – noncurrent (Note IV & XIV)	93,250	1	624	-
2640	Net defined benefit liabilities – noncurrent (Note IV & XXII)	22,064	-	29,309	-
2670	Other noncurrent liabilities	2,144	-	-	-
25XX	Total noncurrent liabilities	444,305	4	266,098	3
2XXX	Total liabilities	2,920,784	26	1,882,380	20
	Equity				
3110	Common stock capital	4,770,163	42	4,770,163	50
3200	Additional paid-in capital	77,090	1	181,715	2
	Retained earnings				
3310	Legal reserve	1,074,510	10	980,063	10
3320	Special reserve	251,175	2	251,175	3
3350	Unappropriated earnings	1,491,746	13	1,223,208	13
3300	Total retained earnings	2,817,431	25	2,454,446	26
	Other equities				
3410	Exchange difference from the conversion of financial statements of foreign operation institution	(25,070)	-	(42,623)	(1)
3420	Unrealized profit or loss in valuation of financial assets measured at fair value through other comprehensive profit or loss	633,578	6	258,445	3
3400	Total other equities	608,508	6	215,822	2
3XXX	Total equity	8,273,192	74	7,622,146	80
	Total Liabilities and Shareholders' equity	$ 11,193,976	100	$ 9,504,526	100

The Notes enclosed are an integral part of the Financial Statements.

Chairman： CEO： CFO： Accountant：

Formosan Union Chemical Corporation

Income Statement

January 1 – December 31, 2022 and 2021

Unit: NT$ Thousand; except for earnings per share in NT$

		2022		2021	
Code		Amount	%	Amount	%
4100	Operating income – net (Note IV, XXIV, & XXXI)	$ 8,196,847	100	$ 6,602,635	100
5110	Operating cost (Note IV, XI, XXV, & XXXI)	6,439,789	79	4,827,010	73
5900	Gross profit	1,757,058	21	1,775,625	27
5920	Realized sales profit	899	-	750	-
5950	Realized gross profit	1,757,957	21	1,776,375	27
	Operating expense (Note XXV & XXXI)				
6100	Marketing expense	450,777	6	410,648	6
6200	Managerial expense	198,893	2	183,283	3
6300	R&D expense	24,301	-	23,907	-
6000	Total operating expense	673,971	8	617,838	9
6900	Net operating income	1,083,986	13	1,158,537	18
	Non-operating income and expense				
7100	Interest income (Note XXV & XXXI)	12,127	-	5,842	-
7010	Other income (Note XXV & XXXI)	43,989	-	44,988	1
7020	Other profit and loss (Note XXV)	207,848	3	12,138	-

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Code		2022 Amount	2022 %	2021 Amount	2021 %
7070	Profit or loss ratio from subsidiaries, associates, and joint venture under the equity method (Note XII)	($ 11,884)	-	($ 191,886)	(3)
7050	Financial cost (Note XXV & XXXI)	(11,238)	-	(5,420)	-
7000	Total non-operating income and expense	240,842	3	(134,338)	(2)
7900	Net income before tax	1,324,828	16	1,024,199	16
7950	Income tax expense (Note IV & XXVI)	240,189	3	76,612	1
8200	Net income	1,084,639	13	947,587	15
	Other comprehensive profit or loss				
8310	Items not-reclassified to profit or loss:				
8311	Defined benefit plan re-measurement amount (Note XXII)	6,663	-	6,272	-
8316	Unrealized profit or loss in valuation of equity instrument investment measured at fair value through other comprehensive profit or loss (Note VIII & XXIII)	459,035	6	105,930	1

8330	Other comprehensive profit or loss ratio from subsidiaries, associates, and joint venture under the equity method	(672)	-	(12,689)	-
8349	Income tax related to items not reclassified to profit or loss (Note XXIII & XXVI)	96,023	1	25,312	-
		369,003	5	74,201	1

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Code		2022 Amount	2022 %	2021 Amount	2021 %
8360	Items could be reclassified to profit or loss subsequently:				
8361	Exchange difference from conversion of financial statements of foreign operating institution (Note XXIII)	$ 21,766	-	($ 5,977)	-
8380	Other comprehensive profit or loss ratio from subsidiaries, associates, and joint venture under the equity method (Note XXIII)	140	-	(37)	-
8399	Income tax related to items could be reclassified to profit or loss (Note XXIII & XXVI)	4,353	-	(1,196)	-
		17,553	-	(4,818)	-
8300	Total other comprehensive profit or loss	386,556	5	69,383	1
8500	Total comprehensive profit or loss – current	$ 1,471,195	18	$ 1,016,970	16
	Earnings per share (Note XXVII)				
9710	Basic	$ 2.27		$ 1.99	
9810	Diluted	$ 2.27		$ 1.98	

The Notes enclosed are an integral part of the Financial Statements.

Chairman： CEO： CFO： Accountant：

Formosan Union Chemical Corporation

Statement of Retained Earnings

January 1 – December 31, 2022 and 2021

Unit: NT$ Thousand

Code		Capital stock (Note XXIII)			Retained earnings (Note VIII & XXIII)				Other equities (Note VIII & XXIII)			
		Shares (Thousand)	Amount	Additional paid-in capital (Note XXIII)	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange difference from the conversion of financial instruments of foreign operating institution	Unrealized loss in valuation of financial assets measured at fair value through other comprehensive profit or loss	Total	Total equity
A1	Balance – 1/1/2021	477,016	$ 4,770,163	$ 182,565	$ 925,118	$ 251,175	$ 906,104	$ 2,082,397	($ 37,805)	$ 181,126	$ 143,321	$ 7,178,446
	The 2020 earnings appropriation and distribution											
B1	Legal reserve	-	-	-	54,945	-	(54,945)	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(572,420)	(572,420)	-	-	-	(572,420)
		-	-	-	54,945	-	(627,365)	(572,420)	-	-	-	(572,420)
D1	Net income - 2021	-	-	-	-	-	947,587	947,587	-	-	-	947,587
D3	Other comprehensive profit or loss after tax – 2021	-	-	-	-	-	5,403	5,403	(4,818)	68,798	63,980	69,383
D5	Total comprehensive profit or loss – 2021	-	-	-	-	-	952,990	952,990	(4,818)	68,798	63,980	1,016,970
M7	Changes in the equity of the subsidiary owned by the company	-	-	(850)	-	-	-	-	-	-	-	(850)
Q1	Disposal of equity instrument measured at fair value through other comprehensive profit or loss	-	-	-	-	-	(8,521)	(8,521)	-	8,521	8,521	-
Z1	Balance – 12/31/2021	477,016	4,770,163	181,715	980,063	251,175	1,223,208	2,454,446	(42,623)	258,445	215,822	7,622,146
	The 2021 earnings appropriation and distribution											
B1	Legal reserve	-	-	-	94,447	-	(94,447)	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(715,524)	(715,524)	-	-	-	(715,524)
		-	-	-	94,447	-	(809,971)	(715,524)	-	-	-	(715,524)
C15	Cash dividend from additional paid-in capital	-	-	(95,403)	-	-	-	-	-	-	-	(95,403)
D1	Net income - 2022	-	-	-	-	-	1,084,639	1,084,639	-	-	-	1,084,639
D3	Other after-tax profit or loss - 2022	-	-	-	-	-	8,280	8,280	17,553	360,723	378,276	386,556
D5	Total comprehensive profit or loss – 2022	-	-	-	-	-	1,092,919	1,092,919	17,553	360,723	378,276	1,471,195
M7	Changes in the equity of the subsidiary owned by the company	-	-	(9,222)	-	-	-	-	-	-	-	(9,222)
Q1	Disposal of equity instrument measured at fair value through other comprehensive profit or loss	-	-	-	-	-	(14,410)	(14,410)	-	14,410	14,410	-
Z1	Balance – 12/31/2022	477,016	$ 4,770,163	$ 77,090	$ 1,074,510	$ 251,175	$ 1,491,746	$ 2,817,431	($ 25,070)	$ 633,578	$ 608,508	$ 8,273,192

The Notes enclosed are an integral part of the Financial Statements.

Chairman： CEO： CFO： Accountant：

Formosan Union Chemical Corporation

Statement of Cash Flows

January 1 – December 31, 2022 and 2021

Unit: NT$ Thousand

Code		2022	2021
	Cash flow from operating activities		
A00010	Net income before tax	$ 1,324,828	$ 1,024,199
A20010	Income and expense items		
A20100	Depreciation expense	98,710	106,985
A20200	Amortization expense	633	367
A20400	Net profit of financial assets measured at fair value through profit or loss	(105,766)	(19,112)
A20900	Financial cost	11,238	5,420
A21200	Interest income	(12,127)	(5,842)
A21300	Dividend income	(9,860)	(9,974)
A22400	Profit ratio from subsidiaries, associates, and joint venture under the equity method	11,884	191,886
A22500	Loss (profit) from the disposal of property, plant, and equipment	1,303	(74)
A23700	Loss from the valuation of inventory and obsolescence	5,530	3,660
A24000	Realized sales profit with joint venture	(899)	(750)
A24100	Exchange loss – net	7,618	705
A30000	Changes in operating assets and liabilities – net		
A31115	Financial assets measured at fair value through profit or loss mandatorily	34,637	(41,400)
A31140	Notes receivable – related party	(115)	(135)
A31150	Accounts receivable	90,393	(174,885)
A31160	Accounts receivable – related party	1,597	71,702
A31180	Other receivable	(11,746)	(11,275)
A31190	Accounts receivable	(2,283)	(270)
A31200	Inventories	(673,658)	(660,938)
A31230	Prepayment	(84,728)	39,458
A31240	Other current assets	(3,806)	1,173
A32130	Notes payable	(2,810)	970
A32140	Notes payable – related party	-	(216)
A32150	Accounts payable	292,264	241,165
A32160	Accounts payable – related party	(16,956)	22,024
A32180	Other payable	27,863	127,464
A32190	Other payable – related party	482	(13)
A32200	Liability reserve	(2,912)	3,944
A32230	Other current liabilities	(25,726)	32,066
A32240	Defined benefit liabilities – net	(582)	(35,597)

(Continuing to next page)

(Continuing from front page)

Code		2022	2021
A33000	Cash from operating activities	$ 955,006	$ 912,707
A33100	Interest collected	10,480	6,167
A33200	Dividend collected	9,860	9,974
A33300	Interest paid	(11,020)	(5,589)
A33500	Income tax paid	(109,371)	(211,696)
AAAA	Net cash inflow from operating activities	854,955	711,563
	Cash flow from investing activities		
B00030	Refund of capital reduction of financial assets measured at fair value through other comprehensive profit or loss	29,736	37,785
B00040	Acquisition of financial assets measured at the amortized cost	(31,700)	-
B00050	Disposal of financial assets measured at the amortized cost	40,000	-
B01800	Acquisition of investment under the equity method	(13,500)	(20,000)
B02400	Refund of capital reduction of invested companies under the equity method	68,951	-
B02700	Acquisition of property, plant, and equipment	(7,104)	(14,342)
B02800	Disposal of property, plant, and equipment	208	186
B03800	Decrease (increase) in refundable deposit	(2,203)	519
B04400	Decrease in other receivable – related party	-	40,000
B04500	Acquisition of intangible assets	(367)	(1,683)
B05400	Acquisition of investment property	(810)	-
B07100	Increase in prepaid equipment	(21,881)	(6,052)
B07600	Dividend collected from subsidiaries, associates, and joint venture	60,246	71,451
BBBB	Net cash inflow from investing activities	121,576	107,864
	Cash flow from financing activities		
C00200	Increase (decrease) in short-term loans	427,383	(229,179)
C03000	Increase in deposits received	2,144	-
C04020	Liquidated lease liability principal	(36,032)	(59,980)
C04500	Distribution of cash dividend	(810,927)	(572,420)
C05400	Acquisition of equity from the subsidiaries	(300,000)	(200,000)
CCCC	Net cash outflow from financing activities	(717,432)	(1,061,579)
EEEE	Net increase (decrease) in cash and cash equivalents	259,099	(242,152)
E00100	Balance of cash and cash equivalents – beginning	501,676	743,828
E00200	Balance of cash and cash equivalents – ending	$ 760,775	$ 501,676

The Notes enclosed are an integral part of the Financial Statements.

Chairman： CEO： CFO： Accountant：

Proposal II Proposal of 2022 Surplus Distribution for Adoptions.

(Proposed by the Board of Directors)

Explanatory Notes:

(1) The Company's 2022 available distributable surplus is NTD1,383,895,037, as noted on the Statement of Surplus Distribution (please refer to Page 32 of the Handbook).

(2) The distribution of this cash dividend is "rounding down from digit." The total amount in fractions shall be included as the other revenue of the Company.

(3) In case of any change of laws and regulations, change of rectification by the competent authority, or changes occur in Company shares (transfer of treasury stocks, translation, and cancellation, capital increase (capital decrease), buy back (sell) Company stocks, domestic and foreign convertible corporate bonds, or exercise of employee stock warrants), that affects the aggregate number of outstanding shares and changes the dividend rate paid to shareholders, the Board of Directors shall be delegated to apply for relevant matters.

(4) The proposal was approved at the Company's 19^{th} board meeting of the 17^{th} term and submitted to the Audit Committee 2022. The ratification of the Annual 2023 Shareholders' Meeting is respectfully requested.

(5) Upon the approval of the Annual Shareholders' Meeting, it is proposed that the Board of the Dirtctors be authorized to determine the distribution distribution date.

Resolution:

FORMOSAN UNION CHEMICAL CORP.

Earnings Distribution Proposal for 2022

Unit: New Taiwan Dollars

Item	Amount
Beginning Balance:	413,236,159
Minus: Other Comprehensive Gains and Losses Transferred to Retained Earnings	(6,129,620)
Add: Profit After Tax this Year	1,084,639,485
Minus: Recognized 10% Legal Reserve	(107,850,987)
Distributable Retained Earnings	1,383,895,037
Distribution items:	
Cash Dividend to Shareholders (NT1.80 per Share)	858,629,290
End of Period Retained Earnings	525,265,747

(Sealed) Chairman   (Sealed) President: (Sealed) Accountant in Chief: (Sealed) Accountant:

Discussion Items

Proposal I Review and approval of the amendments to the Company's Articles of Incorporation

(Proposed by the Board of Directors)

Explanatory Notes:

1. Some provisions of the Company's "Articles of Association" shall be revised to meet actual needs.
2. The Comparison Table of the amended articles is set out. (Please refer to the Handbook pp. 43~48)
3. The proposal was approved at the Company's 18th and 19th board meeting of the 17th term. The review and approval of the amendments is respectfully requested.

Resolution:

Election Item

Proposal I Election of the Company's Directors of new term.

(Proposed by the Board of Directors)

Explanatory Notes:

1. The Company's current Directors have their tenure expired on June 30, 2023. It is proposed that the 2023 Annual Shareholders' Meeting hold an election of the Company's Directors of new term.
2. It is conducted in accordance with Article 20 of the Company's Articles of Incorporation, and the proposed number of Directors should be 19 (including 4 Independent Directors). The new Directors should be appointed for a term of three years commencing on the date July 01, 2023 and ending on June 30, 2026.
3. The Company adopts a candidate nomination system for the election of Directors. Shareholders should select Directors from the list of candidates.
4. The list of Director candidates has been reviewed and approved by the 19th meeting of the 17th term of the Board of Directors. For candidate information, please refer to the Handbook pp. 35~36.
5. The proposal was approved at the Company's 19th board meeting of the 17th term. Please call for election.

Election results:

No.	Name	ID No.	Education	Experience	Represented Name of Government or Legal Person	Category of Candidates	Has been served as an Independent Director for three consecutive terms
1	Huang, Sheng-Cai	A10XXXXX61	Hosei University Japan	Chairman / Hsin-Chung Sportware Corp.	Shin Shing Chemical Corp.	Director	Not applicable
2	Huang, Sheng-Shun	A10XXXXX55	Law Department / National Taiwan University	Chairman / TaYang Silicone Corp.	—	Director	Not applicable
3	Zhang, Li-Qiu	M10XXXXX73	Master of Institute of Insurance / National Chengchi University	Chairman / Ho Tung Chemical Corp.	Hemao Venture Investment Co., Ltd.	Director	Not applicable
4	Huang, De-Lun	A12XXXXX83	National Dong Hwa University	Director / United Performance Materials Corp.	—	Director	Not applicable
5	Ke, Yen-Huei	A12XXXXX16	PhD of Business Administration / Chung Yuan Christian University	General Manager / Taiwan Biotech Co., Ltd.	Ever-Prosperous Multitechnologies Enterprise Co., Ltd.	Director	Not applicable
6	Guo, Jhih-Cyun	A12XXXXX36	Department of Civil Engineering / Tamkang University	Chairman / Sin Chang Construction Corp.	Sin Chang Construction Corp.	Director	Not applicable
7	Huang, Cheng-Fong	A12XXXXX47	Law Department / Fu Jen Catholic University	Chairman / True Investment Corp.	Chi-Tong Investment Co., Ltd.	Director	Not applicable
8	Lian, De-Shih	A10XXXXX60	World Journalism College	Chairman / Xinhsin Construction Corp.	—	Director	Not applicable
9	Lin, Chun-Cheng	G12XXXXX40	Chinese Culture University	Chairman / Great Victory Chemical Industry Co., Ltd.	—	Director	Not applicable

No.	Name	ID No.	Education	Experience	Represented Name of Government or Legal Person	Category of Candidates	Has been served as an Independent Director for three consecutive terms
10	He, Hao	A103XXX156	Chinese Culture University	Consultant / Lion Home Products (Taiwan) Co., Ltd.	Lion Home Products (Taiwan) Co., Ltd.	Director	Not applicable
11	Guo, Jhen-Jhih	F221XXX537	Master's degree / University of California, Los Angeles	—	—	Director	Not applicable
12	Shi, Jia-An	D10XXXXX19	National Taiwan Sports Institute	Director / Men Hsing Textile Co., LTD.	—	Director	Not applicable
13	Lee, Wen-Ling	Y22XXXXX57	Department of Economics, University of California, Berkeley	Chairman / Da Chang Internation Co., Ltd.	—	Director	Not applicable
14	Chen, De-Fong	A10XXXXX58	Department of Chemistry / Chung Yuan University of Technology	Chairman / Jingxuan Investment Corp.	—	Director	Not applicable
15	Wu, Xin-Chang	G12XXXXX58	Department of Business Administration / Tamkang University	Associate Manager / Formosa Biomedical Technology Corp.	Formosa Chemicals & Fiber Corp.	Director	Not applicable
16	Liao, Song-Yue	B12XXXXX29	Hosei University Japan	Chairman / COTA Bank Corp.	—	Independent Director	No
17	Lin, Lai-Di	F22XXXXX31	Department of Agricultural Chemistry / National Taiwan University	President / Taiwan Industrial Services Foundation	—	Independent Director	No
18	Chen, Hong-Wen	A12XXXXX06	Department of Mass Communication/ Fu Jen Catholic University	Chairman / Core Rock Co., Ltd.	—	Independent Director	No
19	Zhuo, Xun-Rong	A10XXXXX08	PhD / Fayani University, Pennsylvania, USA	Chief Strategy Officer / PiXORD Corporation	—	Independent Director	No

Other Discussion Item

Proposal I Discussion of the proposal for release of the Directors of the Company from non-compete restrictions

(Proposed by the Board of Directors)

Explanatory Notes:

1. It is conducted in accordance with Article 209 of the Company Act, which provides that "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders meeting the essential contents of such an act and secure its approval."
2. In order to make use of the expertise and relevant experience of the Company's Directors, It is proposed that the Shareholders' Meeting approve the release of such Directors from non-compete restrictions on engaging in any business within the Company's business scope.
3. It is proposed to submit to the Shareholders' Meeting to lift the non-competition restrictions on the new directors and their representatives as follows:

Director's Name	Position Concurrently Served in Other Companies
Shin Shing Chemical Corp. Representative \ **Huang, Sheng-Cai**	Chairman / Shin Shing Chemical Corp. Chairman / Hsin-Chung Sportware Corp.
Hemao Venture Investment Co., Ltd. Representative \ **Zhang, Li-Qiu**	Chairman / Ho Tung Chemical Corporation
Formosa Chemicals & Fiber Corp. Representative \ **Wu, Xin-Chang**	Associate Manager / Formosa Biomedical Technology Corp.
Lion Home Products (Taiwan) Co., Ltd. Representative \ **He, Hao**	Consultant / Lion Home Products (Taiwan) Co., Ltd.
Huang, De-Lun	Director / United Performance Materials Corp.
Lin, Chun-Cheng	Chairman / Fusugar Industry Corp. Director / United Performance Materials Corp.

Resolution:

Extemporary Motion

Adjournment

Annex 1

FORMOSAN UNION CHEMICAL CORP.

Comparison Table of Amended Articles of
"The Rules of Procedures for the Board of Directors' Meeting"

Article	Amended Articles	Current Articles	Description
Article 3	Meetings of the Board of Directors shall be held quarterly. The convening of the Board of Directors of the Company shall be notified to all directors within 7 days, in case of an urgent circumstances, an interim Board meeting may be held at any time. The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.	Meetings of the Board of Directors shall be held quarterly. The convening of the Board of Directors of the Company shall be notified to all directors within 7 days, in case of an urgent circumstances, an interim Board meeting may be held at any time. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of them may be raised by an extraordinary motion except in the case of an emergency or legitimate reason.	In accordance with the letter Jin-Kuang-Cheng-Fa-Tze No.-11103832635 of the FSC on August 5, 2022.
Article 12	The Company shall submit the following items for discussion by the board of directors: 1. The company business plan decisions 2. Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer. 3. Adoption or amendment of an internal control system pursuant to Article 14-1, and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or	The Company shall submit the following items for discussion by the board of directors: 1. The company business plan decisions 2. Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer. 3. Adoption or amendment of an internal control system pursuant to Article 14-1, and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or	In accordance with the letter Jin-Kuang-Cheng-Fa-Tze No.-11103832635 of the FSC on August 5, 2022.

Article	Amended Articles	Current Articles	Description
	disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. <u>If the Board of Directors does not have a managing director, the appointment or discharge of the chairman.</u> <u>7</u>. The appointment or discharge of a financial, accounting, or internal audit officer. <u>8</u>. Decisions on reinvestment matters are not subject to the restrictions of Paragraph 3 of Article 13 of the Company Law. <u>9</u>. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (If a foreign company's stock has no par value or the par value per share is not NT$10, the amount of 5% of the paid-in capital in this item is calculated based on 2.5% of the shareholders' equity.) The term "within a 1-year period" in	disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. Decisions on reinvestment matters are not subject to the restrictions of Paragraph 3 of Article 13 of the Company Law. 8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (If a foreign company's stock has no par value or the par value per share is not NT$10, the amount of 5% of the paid-in capital in this item is calculated based on 2.5% of the shareholders' equity.) The term "within a 1-year period" in	

Article	Amended Articles	Current Articles	Description
	the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If independent directors have objections or reservations, they should be stated in the minutes of the board of directors; if independent directors cannot attend the board of directors in person to express their objections or reservations, they should issue written opinions in advance and include them in the minutes of the board of directors unless they have legitimate reasons.	the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If independent directors have objections or reservations, they should be stated in the minutes of the board of directors; if independent directors cannot attend the board of directors in person to express their objections or reservations, they should issue written opinions in advance and include them in the minutes of the board of directors unless they have legitimate reasons.	
Article 18	The company's Managing Directors' meeting matters shall be governed by Article 2, Article 3, Paragraph 2, Article 4 to Article 6, Article 8 to Article 11, and Article 13 to Article 16. <u>Article 3 Paragraph 4 shall apply mutatis mutandis to the appointment or discharge of the chairman</u>.However, the Managing Directors' meeting is a regular convener within seven days and may notify the Managing Directors two days in advance.	The company's Managing Directors' meeting matters shall be governed by Article 2, Article 3, Paragraph 2, Article 4 to Article 6, Article 8 to Article 11, and Article 13 to Article 16. However, the Managing Directors' meeting is a regular convener within seven days and may notify the Managing Directors two days in advance.	In accordance with the letter Jin-Kuang-Cheng-Fa-Tze No.-11103832635 of the FSC on August 5, 2022.

Annex 2

FORMOSAN UNION CHEMICAL CORP.

Comparison Table of Amended Articles of “Procedures for Ethical Management and Guidelines for Conduct”

Article	After amendment	Before amendment	Explanation
Article 5	The company's ethical management solely responsible unit is the Legal Office (hereinafter, "responsible unit") under the board of directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors (The following is omitted)	The Company shall designate the Audit Office as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors (The following is omitted)	In line with the description of No. 4.2 of the " Corporate Governance Evaluation Indicators of 2022 " to modify the responsible unit

Annex 3

FORMOSAN UNION CHEMICAL CORP.

Comparison Table of Amended Articles of "Articles of Incorporation"

approved by the Company's 18th board meeting of the 17th term.

Article	After amendment	Before amendment	Explanation
Article 32	The company's industrial environment is changeable and it is in the stage of stable growth. Based on the consideration of long-term financial planning, future capital needs and protection of shareholders' rights and interests,If the Company records a profit in a year, the Company shall set aside 2.5% of the profit for employee remunerations and not more than 2.5% of profit should be distributed as Directors' remuneration. If the Company has accumulated losses, however, the profit shall be used to offset the aforesaid accumulated losses first. Distribution of employee remunerations in stock or cash shall require a resolution adopted through a majority vote of the directors present at a meeting attended by not less than two-thirds of all directors, which in turn shall be reported to a shareholders' meeting. The employees entitled to the aforesaid remunerations may include those employed by the Company's affiliated companies who meet specific requirements. <u>The company's earnings distribution or loss allowance can be made after the end of each half year. If there is a surplus in the final accounts of each half of the fiscal year, it should first make up for the accumulated losses, estimate and retain the tax payable, employee remuneration and director remuneration, and add 10% to the statutory surplus reserve, but the statutory surplus reserve has reached the company's total capital, this limit is not applicable, and the special</u>	The company's industrial environment is changeable and it is in the stage of stable growth. Based on the consideration of long-term financial planning, future capital needs and protection of shareholders' rights and interests,If the Company records a profit in a year, the Company shall set aside 2.5% of the profit for employee remunerations and not more than 2.5% of profit should be distributed as Directors' remuneration. If the Company has accumulated losses, however, the profit shall be used to offset the aforesaid accumulated losses first. Distribution of employee remunerations in stock or cash shall require a resolution adopted through a majority vote of the directors present at a meeting attended by not less than two-thirds of all directors, which in turn shall be reported to a shareholders' meeting. The employees entitled to the aforesaid remunerations may include those employed by the Company's affiliated companies who meet specific requirements.	Amend the provisions according to actual needs.

Article	After amendment	Before amendment	Explanation
	surplus reserve shall be listed or reversed in accordance with the laws or regulations of the competent authority; if there is any surplus, the balance shall be added to the accumulated undistributed surplus of the first half of the fiscal year, and the board of directors shall prepare a surplus distribution proposal to In the case of issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution; in the case of cash, it shall be subject to a resolution of the board of directors. If there are any earnings after final account settlement, the Company shall pay off the applicable taxes, compensate the accrued deficit and retain 10% as legal reserve. However, this limit is not applicable, if the Company's legal reserve already equals the total amount of its capital. The Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in proportion of shareholders, and no less than 1% of the distributable amount shall be allocated to distribute shareholder dividends. The above-mentioned profit distribution will be proposed by the Board of the Directors and be implemented after the approval by the shareholders' meeting. In the case of issuing new shares, it shall be submitted to the shareholders' meeting for resolution before distribution. In accordance with Article 240 of the Company Law, the Company authorizes the Board of Directors to distribute dividends and bonuses or the resolutions stipulated in Article 241 of the Company Law with more than two-thirds of the Directors present and resolutions made by more	If there are any earnings after final account settlement, the Company shall pay off the applicable taxes, compensate the accrued deficit and retain 10% as legal reserve. However, this limit is not applicable, if the Company's legal reserve already equals the total amount of its capital. The Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in proportion of shareholders, and no less than 1% of the distributable amount shall be allocated to distribute shareholder dividends. The above-mentioned profit distribution will be proposed by the Board of the Directors and be implemented after the approval by the shareholders' meeting.	

Article	After amendment	Before amendment	Explanation
	than half of the directors present. All or part of the statutory surplus reserve and capital reserve shall be issued in cash and reported to the shareholders' meeting. The company may, in accordance with the overall capital budget plan, distribute 40% to 60% stock dividends to retain the necessary funds, and the balance will be distributed in the form of cash dividends. If for that year, the company does not have major capital budget planning or require sufficient operation capitals, all the stock dividend may be distributed as cash. And, if for that year the company has plant expansion project that requires large amount of capital, the dividend may be distributed in full with stocks. The Company issues share subscription warrants to employees of companies meeting certain criteria and such criteria shall be resolved by the Board. When issuing new shares, the employee subscribing for shares includes the employees working in the Company and such criteria shall be resolved by the Board. The Company issues new shares restricting employees' rights for employees meeting certain criteria and such criteria shall be resolved by the Board. The Company buy back treasury shares by law and may transfer to objects including employees of the company, which criteria shall be resolved by the Board.	The company may, in accordance with the overall capital budget plan, distribute 40% to 60% stock dividends to retain the necessary funds, and the balance will be distributed in the form of cash dividends. If for that year, the company does not have major capital budget planning or require sufficient operation capitals, all the stock dividend may be distributed as cash. And, if for that year the company has plant expansion project that requires large amount of capital, the dividend may be distributed in full with stocks. The Company issues share subscription warrants to employees of companies meeting certain criteria and such criteria shall be resolved by the Board. When issuing new shares, the employee subscribing for shares includes the employees working in the Company and such criteria shall be resolved by the Board. The Company issues new shares restricting employees' rights for employees meeting certain criteria and such criteria shall be resolved by the Board. The Company buy back treasury shares by law and may transfer to objects including employees of the company, which criteria shall be resolved by the Board.	

approved by the Company's 19th board meeting of the 17th term.

Article	After amendment	Before amendment	Explanation
Article 32	The company's industrial environment is changeable and it is in the stage of stable growth. Based on the consideration of long-term financial planning, future capital needs and protection of shareholders' rights and interests,If the Company records a profit in a year, the Company shall set aside 2.5% of the profit for employee remunerations and not more than 2.5% of profit should be distributed as Directors' remuneration. If the Company has accumulated losses, however, the profit shall be used to offset the aforesaid accumulated losses first. Distribution of employee remunerations in stock or cash shall require a resolution adopted through a majority vote of the directors present at a meeting attended by not less than two-thirds of all directors, which in turn shall be reported to a shareholders' meeting. The employees entitled to the aforesaid remunerations may include those employed by the Company's affiliated companies who meet specific requirements. The company's earnings distribution or loss allowance can be made after the end of each half year. If there is a surplus in the final accounts of each half of the fiscal year, it should first make up for the accumulated losses, estimate and retain the tax payable, employee remuneration and director remuneration, and add 10% to the statutory surplus reserve, but the statutory surplus reserve has reached the company's total paid-in capital, this limit is not applicable, and the special surplus reserve shall be listed or reversed in accordance with the laws or regulations of the competent authority; if there is any surplus, the balance shall be added to the accumulated undistributed surplus of	The company's industrial environment is changeable and it is in the stage of stable growth. Based on the consideration of long-term financial planning, future capital needs and protection of shareholders' rights and interests,If the Company records a profit in a year, the Company shall set aside 2.5% of the profit for employee remunerations and not more than 2.5% of profit should be distributed as Directors' remuneration. If the Company has accumulated losses, however, the profit shall be used to offset the aforesaid accumulated losses first. Distribution of employee remunerations in stock or cash shall require a resolution adopted through a majority vote of the directors present at a meeting attended by not less than two-thirds of all directors, which in turn shall be reported to a shareholders' meeting. The employees entitled to the aforesaid remunerations may include those employed by the Company's affiliated companies who meet specific requirements. The company's earnings distribution or loss allowance can be made after the end of each half year. If there is a surplus in the final accounts of each half of the fiscal year, it should first make up for the accumulated losses, estimate and retain the tax payable, employee remuneration and director remuneration, and add 10% to the statutory surplus reserve, but the statutory surplus reserve has reached the company's total capital, this limit is not applicable, and the special surplus reserve shall be listed or reversed in accordance with the laws or regulations of the competent authority; if there is any surplus, the balance shall be added to the accumulated undistributed surplus of	Amend the provisions according to actual needs.

Article	After amendment	Before amendment	Explanation
	the first half of the fiscal year, and the board of directors shall prepare a surplus distribution proposal to In the case of issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution; in the case of cash, it shall be subject to a resolution of the board of directors. If there are any earnings after final account settlement, the Company shall pay off the applicable taxes, compensate the accrued deficit and retain 10% as legal reserve. However, this limit is not applicable, if the Company's legal reserve already equals the total amount of its <u>paid-in capital</u>. The Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in proportion of shareholders, and no less than 1% of the distributable amount shall be allocated to distribute shareholder dividends. The above-mentioned profit distribution will be proposed by the Board of the Directors and be implemented after the approval by the shareholders' meeting. In the case of issuing new shares, it shall be submitted to the shareholders' meeting for resolution before distribution. In accordance with Article 240 of the Company Law, the Company authorizes the Board of Directors to distribute dividends and bonuses or the resolutions stipulated in Article 241 of the Company Law with more than two-thirds of the Directors present and resolutions made by more than half of the directors present. All or part of the statutory surplus reserve and capital reserve shall be issued in cash and reported to the shareholders' meeting. The company may, in accordance	the first half of the fiscal year, and the board of directors shall prepare a surplus distribution proposal to In the case of issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution; in the case of cash, it shall be subject to a resolution of the board of directors. If there are any earnings after final account settlement, the Company shall pay off the applicable taxes, compensate the accrued deficit and retain 10% as legal reserve. However, this limit is not applicable, if the Company's legal reserve already equals the total amount of its capital. The Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in proportion of shareholders, and no less than 1% of the distributable amount shall be allocated to distribute shareholder dividends. The above-mentioned profit distribution will be proposed by the Board of the Directors and be implemented after the approval by the shareholders' meeting. In the case of issuing new shares, it shall be submitted to the shareholders' meeting for resolution before distribution. In accordance with Article 240 of the Company Law, the Company authorizes the Board of Directors to distribute dividends and bonuses or the resolutions stipulated in Article 241 of the Company Law with more than two-thirds of the Directors present and resolutions made by more than half of the directors present. All or part of the statutory surplus reserve and capital reserve shall be issued in cash and reported to the shareholders' meeting. The company may, in accordance	

Article	After amendment	Before amendment	Explanation
	with the overall capital budget plan, distribute 40% to 60% stock dividends to retain the necessary funds, and the balance will be distributed in the form of cash dividends. If for that year, the company does not have major capital budget planning or require sufficient operation capitals, all the stock dividend may be distributed as cash. And, if for that year the company has plant expansion project that requires large amount of capital, the dividend may be distributed in full with stocks. The Company issues share subscription warrants to employees of companies meeting certain criteria and such criteria shall be resolved by the Board. When issuing new shares, the employee subscribing for shares includes the employees working in the Company and such criteria shall be resolved by the Board. The Company issues new shares restricting employees' rights for employees meeting certain criteria and such criteria shall be resolved by the Board. The Company buy back treasury shares by law and may transfer to objects including employees of the company, which criteria shall be resolved by the Board.	with the overall capital budget plan, distribute 40% to 60% stock dividends to retain the necessary funds, and the balance will be distributed in the form of cash dividends. If for that year, the company does not have major capital budget planning or require sufficient operation capitals, all the stock dividend may be distributed as cash. And, if for that year the company has plant expansion project that requires large amount of capital, the dividend may be distributed in full with stocks. The Company issues share subscription warrants to employees of companies meeting certain criteria and such criteria shall be resolved by the Board. When issuing new shares, the employee subscribing for shares includes the employees working in the Company and such criteria shall be resolved by the Board. The Company issues new shares restricting employees' rights for employees meeting certain criteria and such criteria shall be resolved by the Board. The Company buy back treasury shares by law and may transfer to objects including employees of the company, which criteria shall be resolved by the Board.	
Article 37	Same as in the previous article. 42th amendment on June 16, 2023 Amend the provisions according to actual needs.. Amendments of the Articles of Incorporation shall take effect following their approval at the shareholders' meetings.	Same as in the previous article.	Added date of amendment

Annex I

FORMOSAN UNION CHEMICAL CORP.

The Rules of Procedures for the Board of Directors' Meeting

Last updated by June 11, 2021

Article 1 In order to establish a good governance system for the company's board of directors, improve supervisory functions, and strengthen management functions, this specification is formulated in accordance with the provisions of the procedures for the board of directors of publicly issued companies, so as to comply with.

Article 2 The rules of the board of directors of the company, the main contents of the discussion, operating procedures, minutes of the proceedings should contain matters, announcements and other matters to be followed, and shall be handled in accordance with the provisions of this standard

Article 3 Meetings of the Board of Directors shall be held quarterly.

The convening of the Board of Directors of the company shall be notified to all directors, within 7 days, in case of an urgent circumstances, an interim Board meeting may be held at any time.

All matters set out in the subparagraphs of Article 12 shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion except in the case of an emergency or legitimate reason.

Article 4 The Board of Directors shall appoint the Stock Office as the agenda working group.

The agenda working group shall prepare agenda items for board of directors meetings and provide sufficient pre-meeting materials, to be sent together with the notice of the meeting.

A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5 When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tale- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy as provided in the preceding two paragraphs may accept a proxy from one person only.

Article 6 A board of directors meeting shall be held at the location and during the business hours of the Company, or at a place and time convenient to directors and suitable for holding such a meeting.

Article 7 The Company's Board meetings shall be convened by the Chairperson of the Board, who shall act as chairperson of the meeting, provided, however, that the first Board meeting of each term after an election of Directors shall be convened by the Director who received the ballots representing the highest number of votes at a general meeting, with that Director acting as the chairperson of the meeting. In the event that there is more than one Director who has the power to convene such meeting, such Directors shall agree among themselves as to who shall act as the chairperson of the meeting.

In the board of directors meeting convened by a majority of the directors on their own in accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, the directors shall elect from among themselves a chairman.

Where the Chairman has taken leave or is unable to perform his duties for any reasons, the Vice Chairman shall act in his place. Where the Vice Chairman is also unavailable, the Chairman shall appoint a Mamanaging Director to act on his behalf, failing which the Board of Mamanaging Directors shall nominate from among them a person to act on behalf of the meeting.

Article 8 When the board of directors of the company convenes, the Stock Office shall prepare relevant materials for the directors to check at any time.

When holding a meeting of the board of directors, the Company may, as necessary for the agenda items of the meeting, notify non-director manager from relevant departments to attend the meeting as nonvoting participants.

When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements. Provided, however, that they shall leave the meeting when discussion or voting takes place.

The chairman of the board of directors shall announce the meeting immediately when more than half of the directors have attended the meeting.

When the time of a meeting has arrived and one-half all board directors are not present, the meeting chairperson may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chairperson shall re-call the meeting following Article 3-2 of the Regulations.

All directors mentioned in the preceding paragraph and the second paragraph of Article 16, Paragraph 2, shall be calculated as the number of incumbent directors.

Article 9 The Company shall take audio or video record of tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years in electronic form.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded and the afore mentioned five-year rule shall not be applicable.

Where a board of directors meeting is held via tale- or video conferencing, the documentation of the meeting shall be considered part of the meeting minutes and be well preserved throughout the existence of the Company.

Article 10 Agenda items for regular board of directors meetings shall include at least the following:

1. Reports :
   1) Minutes of the last meeting and actions arising as well as follow-ups with any resolution that has yet to be completely executed
   2) Important financial and business matters
   3) Internal audit activities
   4) Other important matters
2. Discussions:
   1) Items discussed and continued from the last meeting
   2) Items for discussion at this meeting
3. Extraordinary motions

Article 11 A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chairperson may not declare the meeting closed without the approval of a majority of directors present at the meeting. During a meeting, the chairperson may, at his or her discretion, set time for intermission or negotiation.

During the Board meeting, if the number of Directors present at the meeting is not more than half of the Directors attending the meeting, upon a motion being proposed by a Director present in the meeting, the Chairperson shall declare the suspension of the meeting and the provisions under Paragraph 5, Article 8 of these Rules may apply.

Article 12 The Company shall submit the following items for discussion by the board of directors:

1. The company business plan decisions
2. Annual financial report and Q2 financial reports which need to be audited and attested by a Certified Public Accountant.
3. Adoption or amendment of an internal control system pursuant to Article 14-1, and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. Decisions on reinvestment matters are not subject to the restrictions of Paragraph 3 of Article 13 of the Company Law.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may

be submitted to the following board of directors meeting for retroactive recognition.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (If a foreign company's stock has no par value or the par value per share is not NT$10, the amount of 5% of the paid-in capital in this item is calculated based on 2.5% of the shareholders' equity.)

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy.

If independent directors have objections or reservations, they should be stated in the minutes of the board of directors; if independent directors cannot attend the board of directors in person to express their objections or reservations, they should issue written opinions in advance and include them in the minutes of the board of directors unless they have legitimate reasons.

Article 13 The Chairperson may declare an end to discussion of a proposal in the agenda if he or she deems the proposal in discussion is ready for a vote and may then have the proposal voted on.

When a proposal comes to a vote at a Board of Directors meeting, if the Chairperson puts the matter before all directors present at the meeting and none voices objection, the matter is deemed approved. If upon the Chairperson proposing the relevant resolution for approval, a Director states his or her dissent, the resolution shall be voted.

The method of voting shall be one of the following as determined by the Cairperson, but the Cairperson shall solicit the opinions of a majority to determine the method when objection is voiced by any attending director.

1. By showing of hands
2. By voicing votes
3. By casting ballots

The term "all directors present" as mentioned in Paragraph 2 does not include any non-voting director as prescribed in paragraph 1 of Article 15.

Article 14 Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

If there is an amendment to or substitute for this proposed resolution, the chairperson shall decide the sequence of voting for the proposed resolution and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed.

If and when necessary, the chairperson may appoint several persons for vote monitoring and ballot counting. Such persons shall be appointed from among the board of directors.

The resolution shall be reported and recorded at the meeting.

Article 15 If an interested party relationship exists between any director, or a juristic person the director represents, and any agenda item, the director shall disclose the important aspects of the interested party relationship at the respective meeting, shall not participate in discussion of or voting on that agenda item, shall recuse himself or herself from the discussion or the voting on the item, and shall not exercise voting rights as proxy for any other director if such relationship is likely to prejudice the interests of the Company.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item, such director shall be deemed to be an interested party with respect to that agenda item.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of the Board of Directors meetings when a director is prohibited by the provisions from exercising voting rights.

Article 16 Minutes shall be prepared of the discussions at board of directors meetings; the meeting minutes shall record the following in detail:

1. Session (or year), time, and place of meeting
2. Name of the meeting chairperson
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent
4. Names and titles of those attending the meeting as nonvoting participants
5. Name of minutes taker
6. Matters reported
7. Agenda items: the resolution method and result of each proposal, and the summary of comments as well as any objections or reservations made by directors, experts, or any others; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal;

opinions expressing objections or reservations at the meeting that were included in records or stated in writing

8. Extraordinary motions: the name of the persons proposing the extraordinary motions, the resolution method and result of each motion, and the summary of comments as well as any objections or reservations made by directors, experts, or any others; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing

9. Other matters required

Any resolution passed at a meeting of the board of directors that securities authorities require publication shall be published on the websites designated by such authoritieswithin two days of the meeting.

The attendance book shall be part of the minutes for each board of directors meeting and shall be well preserved throughout the existence of the Company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting and well preserved as important company records throughout the existence of the Company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 17 Except for the matters that should be discussed by the board of directors of the company in Article 12, the board of directors of the company may authorize the chairman of the board of directors to exercise the powers of the board of directors in accordance with the provisions of the company's articles of association. The authorization content is as follows:

1. Approval of various important contracts
2. Approval of real estate mortgage loans and other loans
3. Approval of the company's general property and real estate purchase and disposal
4. Appointment of directors and supervisors of reinvestment companies
5. Approval of the base date of capital increase or decrease and the base date of cash dividend distribution

Article 18 The company’s Managing Directors’ meeting matters shall be governed by Article 2, Article 3, Paragraph 2, Article 4 to Article 6, Article 8 to Article 11, and Article 13 to Article 16. However, the executive board of directors is a regular convener within seven days and may notify the Managing Directors two days in advance.

Article 19 The adoption of the Regulations and any amendment to the Regulations shall be approved by the board of directors of the Company and reported to the Company’s shareholders’ meeting.

Annex II

FORMOSAN UNION CHEMICAL CORP.

Articles of Incorporation

Amended and approved by the Shareholders' Meeting on June 17, 2022

Chapter I General Provisions

Article 1 The Company is duly incorporated under the provisions of the Company Act of the Republic of China, and shall be called: FORMOSAN UNION CHEMICAL CORPORATION.

Article 2 Scope of Business

1. C801020 Petrochemical raw materials Manufacturing
2. C801010 Basic Industrial Chemical Manufacturing
3. H703100 Real estate leasing
4. C109010 Condiment Manufacturing
5. C801100 Synthetic Resin & Plastic Manufacturing
6. F401010 International trade
7. C801040 Synthetic Resin Manufacturing
8. C801050 Plastic raw material manufacturing
9. C801060 Synthetic rubber manufacturing
10. C802030 Coatings and paint manufacturing
11. J101040 Waste disposal

12 J101060 Waste (sewage) water disposal

13. C803990 Other Petroleum and Charcoal Manufacturing (Lubricating oil, insulating oil, white oil)

Article 2-1 The Company may provide external endorsement guarantee in accordance with the Company bylaw of “Procedures for Endorsements and Guarantees”.

Article 3 The Company is incorporated in Taipei, the Republic of China; the Board of Directors may by resolution approve the establishment of domestic and international branches or factories where it deems necessary.

Article 4 The company's Announcement is in accordance with the regulations of the securities regulatory authority or other relevant laws and regulations.

Chapter II Share Capital

Article 5 The Company's total capital shall be nine hundred million New Taiwan Dollar, divided into nine billion shares of NT$10 each. The Board of Directors is authorized to ssue the un-issued shares in separate trenches.

Article 6 Where the Company invests in other companies; its total investment may exceed

100% of the paid-in share capital.

Article 7 The share certificates of the Company shall be in registered form, and before they are issued, shall be signed by or affixed with the seals of Directors representing the Company, and be certified pursuant to the law. The Company not printing its share certificate shall register the issued shares with a centralized securities depositary enterprise and follow the regulations of that enterprise.

Article 8 The seals used by the shareholders of the company, replacement of seals, loss, damage or theft of seals shall be handled in accordance with the relevant provisions of the “Regulations Governing Stock Affairs of Public Companies”.

Article 9 Regarding the transfer of shares of the company and the establishment and cancellation of pledge rights, shall be handled in accordance with the relevant provisions of the “Regulations Governing Stock Affairs of Public Companies”.

Article 10 The transfer of registered stocks should record the transferee’s name or the corporate name in the stock, and the transferee’s name and domicile should be recorded in the company’s shareholder register, and no rights shall be asserted against the company.

Article 11 Regarding the loss and theft of stocks shall be handled in accordance with the relevant provisions of the “Regulations Governing Stock Affairs of Public Companies”.

Article 12 When the stock is transferred or lost due to reissuance, the company may charge a handling fee at its discretion. Taiwan Securities Central Depository Co., Ltd. may request the merger and exchange of large-denomination securities.

Article 13 Registration of share transfer shall be closed within 60 days prior to General Shareholders' Meeting, or within 30 days prior to Extraordinary Shareholders' Meeting or within 5 days prior to the record date on which Company distributes the dividends or bonuses.

Chapter III Shareholders’ Meetings

Article 14 Shareholders' Meeting of the Company shall be of two types, namely the Annual and Extraordinary Shareholders Meeting. Annual Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year convened by the board of directors. Extraordinary meetings which shall be convened by the Board of Directors whenever deemed necessary in accordance with the law. Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting.

The Company's Shareholders' Meetings may be convened by video conferencing or other means announced by the central competent authority.Article 15 In case a shareholder is unable to attend a shareholders' meeting for any cause, such shareholder may issue a proxy, specifying the scope of authorization for a representative to be present on the shareholder's behalf in accordance with relevant laws of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 15 In case a shareholder is unable to attend a shareholders' meeting for any cause, such shareholder may issue a proxy, specifying the scope of authorization for a representative to be present on the shareholder's behalf in accordance with relevant laws of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 16 The Chairman of the Board of Directors will preside the shareholders meeting. Where the Chairman is on leave or not able to perform his duty for any reason, the Vice Chairman shall act on his behalf. Where the Vice Chairman is also on leave or not able to perform his duty for any reason, the Chairman shall appoint one director to act on his behalf. If the Chairman has made no appointment, the directors shall elect among themselves one person to act as the deputy.

Article 17 Each share is entitled to cast one vote, unless deprived in accordance with Article 179 paragraph 2 of Company Act where there is no right to vote.

Article 18 Unless otherwise stipulated in Company Act, any resolution of a shareholder meeting shall be decided by more than one-half the shareholders presenting at the shareholders meeting consisting of more than one-half the total voting shares.

The adoption of electronic voting by the shareholders' meeting is listed as one of the channels for the shareholders of the company to exercise their voting rights, and related operations are handled in accordance with the regulations of the competent authority.

Article 19 The meeting minutes shall be recorded any resolutions being made, the meeting dates, times, venue, the chairperson’s name, the voting procedures, the summary and the result of the process, and signed by the chairperson or stamped, and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The above minutes and attendance book meant for attending shareholders and the proxy forms shall be retained in the company.

The distribution of the Minutes for Annual General Meeting of Shareholders shall be handled in accordance with the provisions of the Company Law.

Chapter IV Board of Directors and Audit Committee

Article 20 There shall be 15 to 20 Directors of the Company, Directors shall be elected by adopting candidate nomination system at the shareholders' meeting in accordance with the Article 192-1 of Company Act. The Board of Directors of the Company shall comprise the Directors. A Chairman and a Vice Chairman shall be elected from among the Directors. The Chairman represent the Company.

The number of independent directors shall not be less than 2 persons and shall not be less than one fifth of the seats in the Board of Directors.

The election of Independent and non-Independent Directors should be held together, yet with the elected calculated separately.

Regarding the establishment and selection of Independent Directors shall be conducted in accordance with the Company Act, applicable laws and regulations.

Article 20-1 The convening of the Board of Directors of the company shall be notified to all directors within 7 days, in case of an urgent circumstances, an interim Board meeting may be held at any time. A notice to convene a Board meeting shall be sent to all Directors via postal mail, e-mail or fax.

Article 21 A director shall hold the office for a term of three years and may be reelected. If the election does not complete in time upon the expiration of any term of office, the director may continue to serve until his successor is elected.

The total registered shares held by the directors shall not be less than a certain quorum of the company's total shares. The calculation of quorum shall conform to the method instructed by the competent authority.

The Company shall take out liability insurance for Directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy. The scope of insurance is authorized by the Board of Directors to resolve.

Article 22 The Board of Directors shall convene an extraordinary meeting of shareholders within 60 days to fill director by-election when the vacant directorship is less than one third of the total directors. The elected director in the place of a vacant directorship will serve for the remaining period of the previous director's term of office.

Article 23 The Board of Directors of the Company shall comprise the Directors. A Chairman and a Vice Chairman shall be elected from among the directors by a majority vote of the directors present at a meeting attended by at least two-thirds of all directors. The Chairman, the Vice Chairman shall handle the daily affairs of the Company in compliance with the statutes or the resolution of the Shareholders Meeting and Board of the Directors.

Article 24 The Board will determine the Company's operation strategies and other significant issues. Except for the first Directors' Meeting of each term, which will be convened by the Director who received a ballot representing the largest number of votes at the election, rest of the following Board of Directors' Meetings will be convened and presided by Chairman. Where the Chairman has taken leave or is unable to perform his duties for any reasons, the Vice Chairman shall act in his place. Where the Vice Chairman is also unavailable, the Chairman shall appoint a Director to act on his behalf, failing which the Board of Directors shall nominate from among them a person to act on behalf of the Chairman of the Company.

Article 25 Unless otherwise stipulated by the Company Act, the Board of Directors shall adopt resolutions by a majority vote of the directors present at a meeting attended by a majority of all directors. When a Director is unable to personally attend the meeting of the Board of Directors, he/she may submit a proxy form, enumerating the purpose of convening such meeting, the scope of authorization, to appoint another director to attend the meeting. A proxy director may not act on behalf of more than one person. Any resolution made by the Board meeting shall be documented in the meeting minutes, and it shall be dealt with in accordance with Article 19 of this Articles of Association.

Article 26 Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of Independent Directors. The exercise of powers and other matters to be abided by the Audit Committee shall follow the Company Act and related regulations.

Article 27 The company shall provide compensation to directors in line with industry standards for the performance of their duties on behalf of the company, regardless of whether the company makes a profit or not.

Chapter V Managerial Officer

Article 28 The Company shall have the position of General Manager, whose appointment shall be approved by a majority vote of the directors present at a meeting attended by at least two-thirds of all directors.

Article 29 The Company shall have one General Manager.

Article 30 The appointment and removal of the General Manager shall be determined in accordance with Article 29 of the Company Act.

Chapter VI Distribution of final accounts surplus

Article 31 The Company's fiscal year shall be settled on the end of the Chinese calendar year, The Board of Directors shall prepare the following reports to the Audit Committee for examination at least 30 days prior to a General Shareholders' Meeting, and then submit for approval at the General Shareholders' Meeting.
(Ⅰ) Business Operation Report,
(Ⅱ) Financial Statements, and
(Ⅲ) Measures on profit distribution or deficit compensation.

Article 32 The company's industrial environment is changeable and it is in the stage of stable growth. Based on the consideration of long-term financial planning, future capital needs and protection of shareholders' rights and interests,If the Company records a profit in a year, the Company shall set aside 2.5% of the profit for employee remunerations and not more than 2.5% of profit should be distributed as Directors' remuneration. If the Company has accumulated losses, however, the profit shall be used to offset the aforesaid accumulated losses first. Distribution of employee remunerations in stock or cash shall require a resolution adopted through a majority vote of the directors present at a meeting attended by not less than two-thirds of all directors, which in turn shall be reported to a shareholders' meeting. The employees entitled to the aforesaid remunerations may include those employed by the Company's affiliated companies who meet specific requirements.

If there are any earnings after final account settlement, the Company shall pay off the applicable taxes, compensate the accrued deficit and retain 10% as legal reserve. However, this limit is not applicable, if the Company's legal reserve already equals the total amount of its paid-in capital. The Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in proportion of shareholders, and no less than 1% of the distributable amount shall be allocated to distribute shareholder dividends. The above-mentioned profit distribution will be proposed by the Board of the Directors and be implemented after the approval by the stockholders' meeting.

The company may, in accordance with the overall capital budget plan, distribute 40% to 60% stock dividends to retain the necessary funds, and the balance will be distributed in the form of cash dividends. If for that year, the company does not have major capital budget planning or require sufficient operation capitals, all the stock dividend may be distributed as cash. And, if for that year the company has plant expansion project that requires large amount of capital, the dividend may be distributed in full with stocks.

The Company issues share subscription warrants to employees of companies meeting certain criteria and such criteria shall be resolved by the Board.

When issuing new shares, the employee subscribing for shares includes the employees working in the Company and such criteria shall be resolved by the Board.

The Company issues new shares restricting employees' rights for employees meeting certain criteria and such criteria shall be resolved by the Board.

The Company buy back treasury shares by law and may transfer to objects including employees of the company, which criteria shall be resolved by the Board.

Article 33 No appropriation shall be required if the Company's legal reserve already equals the total amount of its paid-in capital in accordance with the resolution of the shareholders meeting.

Chapter VII Supplemental Provisions

Article 34 Matters not stipulated herein shall be governed by the Company Act.

Article 35 The Company's internal organizational charter and other rules shall be prescribed separately by the Board of Directors.

Article 36 delete.

Article 37 These Articles of Incorporation were enacted by the initiator on June 21, 1973, with the 1st amendment on November 11, 1973; the 2st amendment on February 24, 1975; the 3st amendment on August 25, 1976; the 4st amendment on May 18, 1978; the 5st amendment on February 01, 1979; the 6st amendment on June 24, 1979; the 7st amendment on May 23, 1980; the 8st amendment on May 04, 1981; the 9st amendment on October 27, 1982; the 10st amendment on June 07, 1983; the 11st amendment on June 23, 1984; the 12st amendment on June 15, 1985; the 13st amendment on June 24, 1987; the 14st amendment on May 04, 1988; the 15st amendment on April 19, 1989; the 16st amendment on August 25, 1989; the 17st amendment on June 22, 1990; the 18st amendment on May 22, 1991; the 19st amendment on May 20, 1992; the 20st amendment on June 08, 1993; the 21st amendment on June 01, 1994; the 22st amendment on June 09, 1995; the 23st amendment on June 12, 1997; the 24st amendment on May 13, 1999; the 25st amendment on May 12, 2000; the 26st amendment on May 12, 2001; the 27st amendment on June 14, 2006; the 28st amendment on June 06, 2003; the 29st amendment on June 12, 2005; the 30st amendment on June 20, 2006; the 31st amendment on June 13, 2008; the 32st amendment on June 13, 2009; the 33st amendment on June 15, 2010; the 34st amendment on June 15, 2012; the 35st amendment on June 17, 2013; the 36st amendment on June 15, 2015; the 37st amendment on June 15, 2016; the 38st amendment on June 14, 2018; the 39st amendment on June 11, 2020; the 40st amendment on June 11, 2021: the 41st amendment on June 17, 2022.

Appendex Ⅲ

FORMOSAN UNION CHEMICAL CORP.

Rules of Procedure for Shareholders Meetings

Approved for Amendment on Shareholder's Meeting held on June 17, 2022

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

This Company shall make the Meeting Handbook and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

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

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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 notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda handbook, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1: The Company shall convene a virtual shareholders' meeting by stating the following in the notice of the shareholders' meeting.

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

   A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

   B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

   C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. 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, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online shall be specified.

Article 7: If the shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to perform the duties, the chairman shall designate a director to act as chairman. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairman. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.

When a director serves as chairman, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chairman.

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

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholder meeting in a non-voting capacity.

Article 8: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairman shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.

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

After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairman declaring the meeting open until the chairman declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12: Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company.

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

When the Company convenes a virtual shareholders meeting, after the chairman declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairman announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chairman announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6, but wish to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they have registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14: The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

If a shareholders' meeting is held by video conferencing, 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 minute taker, and the manner and situation of handling any interruption from the Video Conferencing Platform or video participation due to natural disasters, contingencies, or other force majeure.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials 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 (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairman may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholder meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: 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 chairman has announced the meeting adjourned.

Article 20: When the Company convenes a virtual-only shareholders meeting, both the chairman and minute taker shall be present at the same location, and the chairman shall declare the address of their location when the meeting is called to order.

Article 21: 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 chairman 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 chairman 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 4 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 hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22: These rules and procedures shall take effect upon being ratified by a resolution adopted by the Shareholders' meeting and the same shall apply to all amendments thereto.

These rules were formulated at the Shareholders' Meeting held on June 17, 2022.

Appendex Ⅸ

FORMOSAN UNION CHEMICAL CORP.

Procedures for Election of Directors

Approved for Amendment on Shareholder's Meeting held on June 11, 2020

Article 1: The Procedures for Elections of Directors are developed pursuant to the Company Act and the Articles of Incorporation of the Company. All elections of directors shall be conducted in accordance with the provisions set forth in the Procedures.

Any matter not mentioned by the Procedures herein shall comply with Company Act and the relevant laws and regulations.

Article 2: The election of the Company's directors shall be held at the shareholders meeting.

Article 3: The election of directors for this Company adopts uninominal cumulative voting, where the name of the candidate is represented by the number of attending identification. The independent directors and non-independent directors shall be elected concurrently and calculated for the winning candidate respectively,

Article 4: Each share of the Company has a voting right for the election of the candidate and the same right to election as the elected number of directors. The Board of Directors shall prepare the same number of directors and distribute to all shareholders, where one candidate or several candidates may be elected.

Article 5: Elections of directors at this Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The number of directors will be as specified in the Company's articles of incorporation, with voting rights (including electronic votes) calculated for director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

In case the number of independent directors is inadequate pursuant to provisionary rules of Article 14-2, paragraph 1 of the Securities and Exchange Act, the independent directors should be elected in the latest shareholders meeting. The dismissal of the independent director shall start in 60 days from the occurrence and shall be elected upon convening the temporary shareholders meeting..

Article 6: The board of directors shall prepare separate ballots in numbers corresponding to the shareholders to be elected. The number of voting rights associated with each ballot shall be specified on the ballots.

Article 7: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

Article 8: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9: The ballot shall be null and invalid upon the occurrence of one of the following:

1. Ballots that are not in compliance with these Procedures
2. Blank ballots are cast into the ballot box.
3. Scribbled and unidentifiable writing or writing which has been altered.
4. A candidate who is also a Member whose account name and Member number are inconsistent with the information recorded in the Register of Members;
5. Writing other than the name of the candidate or Member number (identification number) and the number of votes entitled

Article 10: After the poll of the director election, the vote monitoring personnel and counting personnel shall jointly open and check the ballot box.

Article 11: The vote monitoring personnel shall monitor the vote counting; the chair shall announce the results of the calculation onsite.

Article 12: The Board of Directors shall send each elected Director a notice of appointment.

Article 13: The Procedures shall be approved by the Shareholders Meeting prior to implementation. The same procedures shall apply to the amendment.

Appendex V

FORMOSAN UNION CHEMICAL CORP.

Shareholding Facts by All Directors of the Company

Basis Date:April 18, 2023

Title	Name	Elected Date	Term of Office	Number of shareholding when elected		Number as of the book closure date for the Annual Shareholders' Meeting		Note
				Shares	Shareholding Ratio(%)	Shares	Shareholding Ratio(%)	
Chairman	Huang, Sheng-Cai	June 11, 2020.	3 years	17,775,500	3.73	18,824,000	3.95	Representative of Shin Shing Chemical Corp.
Vice Chairman	Huang, Sheng-Shun	June 11, 2020.	3 years	1,332,982	0.28	1,332,982	0.28	
Director	Zhang, Li-Chiu	June 11, 2020.	3 years	9,857	0.00	9,857	0.00	Representative of Hemao Venture Investment Co., Ltd.
Director	Huang, De-Lun	June 11, 2020.	3 years	590,200	0.12	590,200	0.12	
Director	Ke, Chang-Ci	June 11, 2020.	3 years	3,606,091	0.76	3,606,091	0.76	Representative of Ever-Prosperous Multitechnologies Enterprise Ltd.
Director	Guo, Jhih-Cyun	June 11, 2020.	3 years	1,836,622	0.39	1,836,622	0.39	Representative of Sin Chang Construction Corp.
Director	Huang, Cheng-Fong	June 11, 2020.	3 years	28,314,750	5.94	28,924,000	6.06	Representative of Chi-Tong Investment Co., Ltd.
Director	Lian, De-Shih	June 11, 2020.	3 years	123,908	0.03	123,908	0.03	
Director	Liao, Jia-Guo	June 11, 2020.	3 years	333,851	0.07	333,851	0.07	
Director	He, Hao	June 11, 2020.	3 years	11,571,347	2.43	11,571,347	2.43	Representative of Lion Home Products (Taiwan) Co., Ltd.
Director	Guo, Jhen-Jhih	June 11, 2020.	3 years	3,111,104	0.65	3,111,104	0.65	
Director	Shi, Jia-An	June 11, 2020.	3 years	486,904	0.10	486,904	0.10	
Director	Guo, Jhih-Mao	June 11, 2020.	3 years	1,211,808	0.25	1,211,808	0.25	
Director	Chen, De-Fong	June 11, 2020.	3 years	2,330,023	0.49	2,330,023	0.49	
Director	Wu, Xin-Chang	June 11, 2020.	3 years	14,723,422	3.09	14,723,422	3.09	Representative of Formosa Chemicals & Fiber Corp.
Independent Director	Liao, Song-Yue	June 11, 2020.	3 years	0	0.00	0	0.00	
Independent Director	Lin, Lai-Di	June 11, 2020.	3 years	0	0.00	0	0.00	
Independent Director	Chen, Hong-Wun	June 11, 2020.	3 years	256,500	0.05	238,500	0.05	
Independent Director	Zhuo, Xun-Rong	June 11, 2020.	3 years	0	0.00	0	0.00	

Explanation

1. According to Article 26 of Securities and Exchange Act, the company's paid-in capitalthe is NTS 4,770,162,720 (477,016,272 shares), the minimum shareholdings of the Company’s Directors are 16,000,000 shares.
2. As on the closing date of 2023 Annual Shareholders’ Meeting , the actual shareholdings of the Company’s Directors are 89,254,619 shares, It is comply with the specifications of this rule.

Appendex VI

Impact of the Stock Dividend Distribution on Operating Results, EPS and Shareholders’ Return on Investment

Not applicable since the Company does not propose the stock dividend distribution at the 2023 Annual Shareholders’ Meeting and does not required to prepare financial forecast information.