Stock No.: 1722

TAIWAN FERTILIZER CO., LTD.

2022 Annual General Shareholders' Meeting Minutes

June 29, 2022
Venue: GIS MOTC Convention Center
(No. 24, Sec. 1, Hangzhou S. Rd., Zhongzheng Dist., Taipei City, 5F)
Type: Physical shareholders' meeting

TAIWAN FERTILIZER CO., LTD.
2022 Annual General Shareholders’ Meeting Minutes

Date: June 29, 2022, 9:00AM (Wednesday)

Venue: GIS MOTC Convention Center (No. 24, Sec.1, Hangzhou S.Rd., Zhongzheng Dist., Taipei City)

Attendance: 729,423,248 out of a total of 980,000,000 shares outstanding (Shares present in person and in proxy), which represents 74.43% of shares outstanding (including 315,374,765 for those who have exercised their voting power by way of electronic transmission)

Others present: Chiang Ta-Chung, Attorney at law of Lee and Li Attorneys and Law
Tseng Kuo-Yang, CPA of KPMG
Director Fan Mei-Ling
Director Hu Jong-I
Director Tai Ko-Yuan
Director Hsu Min-Lin
Director Tsao Chi-Hung
Independent Director Lin Su-Ming
Independent Director Weng Ming-Jang

Chairman: Huang Yao-Hsing Meeting Secretary : Liu Chi-Ching

The aggregate shareholding of the shareholders present constituted a quorum.
The Chairman called the meeting to order.

I. **Chairman's Address** : (Omitted)

II. **Reported Items**

Reported No. 1

Subject: The Company's 2021 business report.

Description

I. The 2021 business report has been reviewed by the Audit Committee in the 5th meeting, 2nd Term on March 22, 2022, and approved by the Board of Directors in the 5th meeting, 35th Term on March 22, 2022.

II. Attached please find the Company's 2021 business report

Business Report

I. Foreword:

Looking back 2021, under the dual impacts of COVID-19 pandemic and international geopolitical factors, the prices of bulk raw materials and freight surged, and all trades were shocked severely. Although the Company's operation was no exception, but with the hard working and efforts made by the management team, the revenues of fertilizer, chemical engineering, and lease achieved growth. In addition, the significantly increased incomes of the reinvested, Al-Jubail Fertilizer Company was recognized. The final consolidated net profit of the term is NTD3,034,616 thousands, or 23.72% higher from 2020.

II. Overview of Business:

(I) Production and marketing:

The Company's actual output of fertilizer products totaled 629,266 tons in 2021, increasing by 14.31% from 2020. The output of chemical engineering products totaled 204,477 tons, increasing by 5.77% from 2020. The actual sales of fertilizer products totaled 736,529 tons, increasing by 15.99% from 2020, and that of chemical engineering products totaled 222,304 tons, increasing by 14.43% from 2020.

(II) Operating revenue and profit:

1. Parent-only financial statement

The operating revenue was NTD13,074,793 thousand in 2021, increased by 31.65% from NTD9,931,129 thousand in 2020. The net operating profit, NT$381,832 thousand, decreased by 67.87% from 2020. The net non-operating profit was NTD3,374,275 thousand, increasing by 90.01% from 2020. The current net profit was NTD 3,034,616 thousand，increased by

23.72% from 2020.

2. Consolidated financial statements

The operating revenue was NTD13,659,406 thousand in 2021, increased by 34.31% from NTD10,169,742 thousand in 2020. The net operating profit, NT$507,324 thousand, decreased by 59.34% from 2020. The net non-operating profit was NTD3,284,350 thousand, increasing by 91.21% from 2020. The current net profit was NTD3,034,616 thousand, increased by 23.72% from 2020.

(III) Financial structure:

1. Parent-only financial statement

The Company had solid financial structure. Until December 31, 2021, the Company has had the assets totaled NTD78,856,795 thousand, and liabilities totaled NTD26,228,935 thousand. The liability ratio was 33.26%. The equity amounted to NTD52,627,860 thousand, and EPS NTD53.7.

2. Consolidated financial statements

The Company had solid financial structure. Until December 31, 2021, the Company has had the assets totaled NTD79,343,199 thousand, and liabilities totaled NTD26,715,339 thousand. The liability ratio was 33.67%. The equity amounted to NTD52,627,860 thousand, and EPS NTD53.7.

(IV) Investment plan:

The overall development progress of the Nangang C2 development project has reached 83% (as of December 2021); of which, the office building acquired the use permit for partial areas, and to which the leasing is in progress. The overall development progress of the Nangang C4 development project reached 45% (as of December 2021). The construction progress moves forward as scheduled. For the Hsinchu Science and Business Park development, the TFC1 office building has been fully leased out, and currently, the new office building (the construction permit is pending) and residence (during the architectural design stage) development projects are in progress. The lands where the production plants used to be in Kaohsiung joined the urban land re-zoning of the government. The best development planning will be made based on the market conditions and actual progress of the re-zoning.

III. Prospective:

The international geopolitics and COVID-19 pandemic have had particularly impacts on the prosperity the overall economic development. The Company will keep on monitoring the development of international conditions, for better responses.

In the regard of fertilizer and chemical engineering business, the strategy to develop niche product will still be applied. Other than expanding business scope to increase revenue, the synergies of operation and management are expected to increase the overall profit.

For the real estate development business, we will continue to establish the sustainable properties. The development projects of Nangang Software Park and Hsinchu Science and Commerce Park are advanced as planned, to ensure the operational guideline of increasing profit weight of sustainable properties.

Chairman of Board: Yao-Hsing Huang

General Manager: Yao-Hsing Huang

Chief Accountant: Mei-Ling Huang

Reported No. 2

Subject: The Audit Committee’s report on the Company’s 2021 annual final accounts and statements.

Audit Report of the Audit Committee

The Company's 2021 business report, financial statements and statement of earnings distribution were submitted by the Company’s Board of Directors. The financial statements were already audited by Kuo-Yang Tseng, CPA and Heng-Sheng Lin of KPMG, who also issued the auditor report accordingly.

The Audit Committee, after completing the audit of said business report, financial statements and statement of earnings distribution, believes that they are free of material misstatement, and thus produces this report according to Article 219 of the Company Act.

Please review accordingly.

To:

2022 General Shareholders’ Meeting of the Company

TAIWAN FERTILIZER CO., LTD.
Convener of Audit Committee: Lin, Shi-Ming

林世銘

March 22, 2022

Reported No. 3

Subject: The report on remuneration to the Company's directors and employees in 2021 is submitted. Submitted by the Board of Directors

Description

I. This matter is handled in accordance with the subparagraph 1 of Article 25 of the Company's Articles of Incorporation.

II. The profit sought by the Company in 2021 based on the financial statements as audited by KPMG (the income before earnings before tax less remuneration to employees, directors and supervisors) totaled NT$3,912,610,965.

III. The remuneration payable to directors and employees pursuant to the Company's Articles of Incorporation is stated as following:

(I) Remuneration to directors/supervisors, NT$62,601,775, in cash
Meet the requirement about 1.6% of the profit, NT$3,912,610,965, in 2021.

(II) Remuneration to employees, NT$93,902,663, in cash:
Meet the requirement about 2.4% of the profit, NT$3,912,610,965, in 2021.

Reported No. 4

Subject: The report on amendments to the Company's “Rules of Procedure for Board of Directors Meetings” in part. Submitted by the Board of Directors

Description

I. To cope with FSC’s amendment to Article 3 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies,” the Company amended Paragraph 1, Article 3 of the “Rules of Procedure for Board of Directors Meetings; it is intended to convene a general board meeting monthly as the principle, but at least quarterly.

II. The Company has established the Audit Committee to replace the supervisors’ power since the board of the 34th term; therefore Paragraph 2 of Article 22 is deleted.

III. The comparative list for amendments to the “Rules of Procedure for Board of Directors Meetings of Taiwan Fertilizer Co., Ltd.” in part is enclosed herewith (see hereafter).

Comparative List for Amendments to Rules of Procedure for Board of Directors Meetings of Taiwan Fertilizer Co., Ltd. In part

Amended Provision	Current Provision	Remarks
Article 3 The general meetings of the Board shall be convened monthly as a principle, <u>and at least every quarter</u>. In emergency circumstances, however, a meeting may be called any time. Where a meeting of the Board of Directors is called by the Chairperson of the Board, the meeting shall be chaired by the Chairperson. When the Chairperson is on leave or for any reason, and is unable to exercise the powers of the chairperson, the Chairperson may designate one director to act on his/her behalf; if the Chairperson does not make such a designation, a director may elected by and from among themselves. A board meeting convened by the majority or more of directors on their own, the chair shall be elected from these directors. The first meeting of each term of the board of directors shall be convened by the director who received a ballot representing the largest number of votes at the election of directors within 15 days after the re-election. However, in case the re-election of directors was conducted prior to the expiration of the term of office of the directors of the preceding term, and a resolution was adopted not to discharge the directors of the preceding term until the expiration of the term of their offices as directors, the first meeting of the newly elected directors shall be convened within 15 days after expiration of the term of office of the directors of the preceding term.	Article 3 The general meetings of the Board shall be convened monthly as a principle. In emergency circumstances, however, a meeting may be called any time. Where a meeting of the Board of Directors is called by the Chairperson of the Board, the meeting shall be chaired by the Chairperson. When the Chairperson is on leave or for any reason, and is unable to exercise the powers of the chairperson, the Chairperson may designate one director to act on his/her behalf; if the Chairperson does not make such a designation, a director may elected by and from among themselves. A board meeting convened by the majority or more of directors on their own, the chair shall be elected from these directors. The first meeting of each term of the board of directors shall be convened by the director who received a ballot representing the largest number of votes at the election of directors within 15 days after the re-election. However, in case the re-election of directors was conducted prior to the expiration of the term of office of the directors of the preceding term, and a resolution was adopted not to discharge the directors of the preceding term until the expiration of the term of their offices as directors, the first meeting of the newly elected directors shall be convened within 15 days after expiration of the term of office of the directors of the preceding term.	To cope with FSC's amendment to Article 3 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," Paragraph 1 is amended.

Article 22 The Rules shall be enforced upon approval of the Board of Directors and reported to a shareholders' meeting. The same shall apply where the Rules are amended.	Article 22 The Rules shall be enforced upon approval of the Board of Directors and reported to a shareholders' meeting. The same shall apply where the Rules are amended. <u>The deletion of provisions about supervisors referred to in the Rules shall become effective as of the date when the Audit Committee is established.</u>	The Company has established the Audit Committee, and thus adjusted and deleted the content of this Article.

III. **Ratification Items**

Ratification No. 1

Subject: The Company's 2021 business report and financial statements are submitted for ratification. Submitted by the Board of Directors

Description

I. The Company’s 2021 financial statements and its subsidiaries’ consolidated financial statements have already audited by the external auditors with audit report. Said financial statements, together with the business report (please see Pages 2~3 of the Handbook), were also reviewed by the Audit Committee and the audit report is issued accordingly.

II. The proposal was approved up the deliberation of Board in the 5th meeting, 35th Term on March 22, 2022.

III. Enclosed please find the Company's 2021 Independent Auditor’s Report and Financial Statements (see Attachment).

Resolution: The above proposal was thereby approved as proposed.

The voting rights of the attending shareholders when voting: 729,423,248 rights.

Voting Results	**Percentage of the voting rights of the attending shareholders**
Votes favorable: 702,323,327 rights (electronic votes of 292,306,508 rights included)	96.28%
Votes against: 518,505 rights (electronic votes of 518,505 rights included)	0.07%
Invalid rights: 0 right	0%
Abstained and un-voted rights: 26,581,416 rights (electronic votes of 22,549,752 rights included)	3.64%

Stock Code:1722

TAIWAN FERTILIZER CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors of TAIWAN FERTILIZER CO., LTD.:

Opinion

We have audited the consolidated financial statements of TAIWAN FERTILIZER CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated Balance Sheets as of December 31, 2021 and 2020, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Impairment assessment of intangible assets

   For the accounting policy of impairment assessment of intangible assets, please refer to note 4 (m) "Intangible assets" of the consolidated financial statements. For the accounting estimate and uncertainty assumption of impairment assessment of intangible assets, please refer to note 5 of the consolidated financial statements. For the impairment assessment of intangible assets, please refer to 6(l) of the consolidated financial statements.

Key audit matters:

As described in Note 6(l) of the consolidated financial statements, the Group acquired control over Taiwan Yes Deep Ocean Water Co., Ltd. (" Taiwan Yes"), which was accounted for as acquisition using the equity method (including the goodwill and trademark with indefinite useful lives). In accordance with IAS 36 "Impairment of Assets", goodwill and intangible assets with indefinite useful lives should be tested for impairment annually; and based on the estimated future cash flows of Taiwan Yes (the cash-generating unit), the recoverable amount was evaluated in order to determine whether there is any impairment of the aforementioned investment accounted for by using the equity method (including the goodwill and intangible assets with indefinite useful lives). Since the estimated future cash flows requires management's forecasting of the industry overview and the future operating performance of Taiwan Yes, the recoverable amount will be affected and an impairment loss will be incurred should there be any change in the situation. Therefore, the impairment assessment of equity-method investments has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included confirming whether the management has properly assessed the recoverability of goodwill based on the forecasted cash flows within the following 5 years, wherein the assessment has been reviewed by the competent authority; and verifying whether the management has disclosed the impairment of goodwill in the financial statements on a timely manner after identifying such circumstance. In addition, we also assessed the adequacy of the forecasting methods and the discount rate used by the management, and compared the discount rate with external information; verified the management's assumptions with external relevant information, and evaluated the major assumptions (including the forecast revenue growth rate, discount rate and forecast margin).

Other Matter

We did not audit the consolidated financial statements as of and for the years ended December 31, 2021 and 2020 of the certain investees in equity method. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in the corporation's financial statements for these investees, is based solely on the report of other auditors. As of December 31, 2021 and 2020, the investments in the aforementioned investees are 13.56% (NT$10,758,806 thousand) and 12.05% (NT$9,202,183 thousand) of consolidated total assets. For the years ended December 31, 2021 and 2020, the investment income on the above said investees are 81.07% (NT$3,074,009 thousand) and 20.02% (NT$593,696 thousand) of the Company's income before income tax.

TAIWAN FERTILIZER CO., LTD. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuo-Yang Tseng and Heng-Shen Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2022

Notes to Readers

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

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

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents (notes 6(a) and (u))	$ 2,534,695	3	3,062,027	4
1110	Total current financial assets at fair value through profit or loss (notes 6(b) and (u))	60,009	-	1,300,013	2
1120	Total current financial assets at fair value through other comprehensive income (notes 6(c) and (u))	127,059	-	112,566	-
1150	Notes receivable, net (notes 6(e), (r) and (u))	191,113	-	118,885	-
1170	Accounts receivable, net (notes 6(e), (r), (u) and 7)	1,743,590	2	659,112	1
1200	Other receivables, net (notes 6(f), (u) and 7)	11,322	-	12,797	-
1220	Total current tax assets	6	-	6	-
130X	Total inventories (note 6(g))	2,711,004	4	2,822,354	4
1410	Total prepayments (note 7)	207,548	-	364,115	-
1476	Other current financial assets (notes 6(a), (u) and 8)	233,305	-	1,066,109	1
1479	Other current assets, others	16,035	-	8,935	-
		7,835,686	9	9,526,919	12
	Non-current assets:				
1517	Total non-current financial assets at fair value through other comprehensive income (notes 6(c) and (u))	3,439,803	5	2,712,178	4
1535	Non-current financial assets at amortised cost, net (notes 6(d) and (u))	-	-	28,507	-
1550	Investments accounted for using equity method, net (notes 6(h) and (u))	10,823,828	14	9,282,092	12
1600	Total property, plant and equipment (note 6(i))	14,167,791	18	14,758,989	20
1755	Right-of-use assets (note 6(j))	1,076,433	2	1,150,181	2
1760	Investment property, net (notes 6(k) and (m))	41,172,276	52	38,102,213	50
1780	Total intangible assets (note 6(l))	124,595	-	122,639	-
1840	Deferred tax assets (note 6(o))	391,924	-	325,883	-
1930	Long-term notes and accounts receivable, net (notes 6(f) and (u))	84,125	-	115,396	-
1980	Total other non-current financial assets (notes 6(a), (u) and 8)	188,373	-	193,730	-
1990	Total other non-current assets, others (note 6(u))	38,365	-	27,400	-
		71,507,513	91	66,819,208	88
	Total assets	$ 79,343,199	100	76,346,127	100

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2100	Total short-term borrowings (note 6(u))	$ 20,000	-	20,000	-
2130	Current contract liabilities (note 6(r))	144,260	-	88,420	-
2150	Total notes payable (note 6(u))	1,151	-	1,071	-
2170	Total accounts payable (notes 6(u) and 7)	2,316,725	3	475,087	1
2200	Total other payables (note 6(u))	816,570	1	793,287	1
2230	Current tax liabilities	133,119	-	71,634	-
2280	Current lease liabilities (note 6(u))	38,627	-	32,473	-
2313	Unearned revenue (note 6(k))	389,525	1	389,525	1
2315	Other advance receipts	19,833	-	305,968	-
2399	Other current liabilities, others	47,750	-	55,504	-
		3,927,560	5	2,232,969	3
	Non-Current liabilities:				
2550	Total non-current provisions	455,120	1	455,120	1
2570	Total deferred tax liabilities (note 6(o))	7,449,720	9	7,104,724	10
2580	Non-current lease liabilities (note 6(u))	153,266	-	160,439	-
2630	Long-term deferred revenue (note 6(k))	14,257,410	18	14,627,720	19
2640	Net defined benefit liability, non-current (note 6(n))	136,612	-	131,319	-
2645	Guarantee deposits received (note 6(u))	335,651	-	325,125	-
		22,787,779	28	22,804,447	30
	Total liabilities	26,715,339	33	25,037,416	33
	Equity attributable to owners of parent (note 6(p)):				
3100	Total capital stock	9,800,000	12	9,800,000	13
3200	Total capital surplus	2,244,652	3	2,244,652	3
	Retained earnings:				
3310	Legal reserve	3,673,475	5	3,397,549	4
3320	Special reserve	30,743,799	39	30,823,647	41
3350	Total unappropriated retained earnings	3,950,024	5	3,391,695	4
3400	Total other equity interest	2,215,910	3	1,651,168	2
	Total equity	52,627,860	67	51,308,711	67
	Total liabilities and equity	$ 79,343,199	100	76,346,127	100

See accompanying notes to consolidated financial statements.

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Total operating revenue (notes 6(k), (m) and (r))**	$ 13,659,406	100	10,169,742	100
5000	**Total operating costs (notes 6(g), (n), 7 and 12)**	(11,520,431)	(84)	(7,580,633)	(75)
5900	**Gross profit (loss) from operations**	2,138,975	16	2,589,109	25
	Operating expenses (notes 6(e), (n), (s) and 12):				
6100	Total selling expenses	(545,061)	(4)	(299,990)	(3)
6200	Total administrative expenses	(1,025,326)	(8)	(974,846)	(9)
6300	Total research and development expenses	(58,695)	-	(66,584)	(1)
6450	Expected credit loss (gain)	(2,569)	-	-	-
	Total operating expenses	(1,631,651)	(12)	(1,341,420)	(13)
6900	**Net operating income**	507,324	4	1,247,689	12
	Non-operating income and expenses:				
7100	Total interest income (note 6(t))	18,156	-	44,080	-
7010	Total other income (note 6(t))	106,710	1	80,046	1
7020	Other gains and losses, net (notes 6(t) and 12)	104,591	1	1,019,917	10
7050	Finance costs, net (note 6(t))	(4,229)	-	(4,561)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	3,059,122	22	578,204	6
	Total non-operating income and expenses	3,284,350	24	1,717,686	17
	Profit from continuing operations before tax	3,791,674	28	2,965,375	29
7950	Less: Income tax expenses (note 6(o))	(757,058)	(6)	(512,494)	(5)
	Profit	3,034,616	22	2,452,881	24
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(3,848)	-	(35,816)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	775,903	6	715,107	7
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(11,338)	-	10,833	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(770)	-	(7,163)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	761,487	6	697,287	7
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(2,760)	-	(7,717)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(275,477)	(2)	(504,660)	(5)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(55,283)	-	(101,288)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss	(222,954)	(2)	(411,089)	(4)
8300	**Other comprehensive income**	538,533	4	286,198	3
8500	**Total comprehensive income**	$ 3,573,149	26	2,739,079	27
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	$ 3,034,616	22	2,452,881	24
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 3,573,149	26	2,739,079	27
	Basic earnings per share (note 6(q))				
9750	**Basic earnings per share**	$	3.10		2.50
9850	**Diluted earnings per share**	$	3.09		2.50

See accompanying notes to consolidated financial statements.

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital		Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2020	$ 9,800,000	2,244,073	3,191,153	31,147,849	2,994,828	37,333,830	(51,551)	1,398,701	1,347,150	50,725,053
Profit	-	-	-	-	2,452,881	2,452,881	-	-	-	2,452,881
Other comprehensive income	-	-	-	-	(17,820)	(17,820)	(411,089)	715,107	304,018	286,198
Total comprehensive income	-	-	-	-	2,435,061	2,435,061	(411,089)	715,107	304,018	2,739,079
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	206,396	-	(206,396)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,156,000)	(2,156,000)	-	-	-	(2,156,000)
Reversal of special reserve	-	-	-	(324,202)	324,202	-	-	-	-	-
Other changes in capital surplus	-	579	-	-	-	-	-	-	-	579
Balance at December 31, 2020	9,800,000	2,244,652	3,397,549	30,823,647	3,391,695	37,612,891	(462,640)	2,113,808	1,651,168	51,308,711
Profit	-	-	-	-	3,034,616	3,034,616	-	-	-	3,034,616
Other comprehensive income	-	-	-	-	(14,416)	(14,416)	(222,954)	775,903	552,949	538,533
Total comprehensive income	-	-	-	-	3,020,200	3,020,200	(222,954)	775,903	552,949	3,573,149
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	275,926	-	(275,926)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,254,000)	(2,254,000)	-	-	-	(2,254,000)
Reversal of special reserve	-	-	-	(79,848)	79,848	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(11,793)	(11,793)	-	11,793	11,793	-
Balance at December 31, 2021	**$ 9,800,000**	**2,244,652**	**3,673,475**	**30,743,799**	**3,950,024**	**38,367,298**	**(685,594)**	**2,901,504**	**2,215,910**	**52,627,860**

See accompanying notes to consolidated financial statements.

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	$ 3,791,674	2,965,375
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,158,798	1,074,367
Amortization expense	7,078	6,524
Expected credit gain for bad debt expense	2,569	-
Net gain on financial assets or liabilities at fair value through profit or loss	(2,365)	(5,065)
Interest expense	4,229	4,561
Interest income	(18,156)	(44,080)
Dividend income	(54,585)	(41,776)
Share of profit of associates and joint ventures accounted for using equity method	(3,059,122)	(578,204)
(Gain) loss on disposal of property, plant and equipment, net	11,205	(1,025)
Gain on disposal of investment properties	(216,741)	(1,047,961)
Impairment loss on non-financial assets	29,913	-
Unrealized foreign current exchange loss (gain)	17,969	(11,245)
Donation expense	-	10,075
Comprensation	18,556	-
Total adjustments to reconcile profit (loss)	(2,100,652)	(633,829)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(72,228)	75,782
Decrease (increase) in accounts receivable	(1,060,199)	80,799
Decrease (increase) in other receivable	10,397	3,591
Decrease (increase) in inventories	111,350	(377,280)
Decrease (increase) in prepayments	126,747	(200,631)
Decrease (increase) in other current assets	(7,291)	(5,472)
Total changes in operating assets	(891,224)	(423,211)
Increase (decrease) in contract liabilities	55,840	(18,436)
Increase (decrease) in notes payable	80	(8,957)
Increase (decrease) in accounts payable	1,841,638	(156,269)
Increase (decrease) in other payable	240,134	(16,595)
Increase (decrease) in receipts in advance	(312,983)	292,522
Increase (decrease) in other current liabilities	(7,754)	6,522
Increase (decrease) in net defined benefit liability	1,445	(11,983)
Increase (decrease) in deferred credits	(370,310)	(390,367)
Total changes in operating liabilities	1,448,090	(303,563)
Total changes in operating assets and liabilities	556,866	(726,774)
Total adjustments	(1,543,786)	(1,360,603)
Cash inflow (outflow) generated from operations	2,247,888	1,604,772
Interest received	18,619	45,422
Dividends received	1,209,910	234,284
Interest paid	(4,229)	(4,561)
Income taxes refund (paid)	(360,565)	(555,851)
Net cash flows from (used in) operating activities	3,111,623	1,324,066

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT’D)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2021	**2020**
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(150,000)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	31,920	98,000
Proceeds from disposal of financial assets at amortised cost	27,663	-
Acquisition of financial assets designated at fair value through profit or loss	(3,660,000)	(5,710,000)
Proceeds from disposal of financial assets designated at fair value through profit or loss	4,902,369	5,975,233
Acquisition of property, plant and equipment	(519,631)	(943,905)
Proceeds from disposal of property, plant and equipment	2,065	1,039
Decrease in other receivables	23,751	20,718
Acquisition of intangible assets	(9,034)	(2,230)
Acquisition of investment properties	(3,266,337)	(2,516,076)
Proceeds from disposal of investment properties	301,000	1,422,740
Decrease in other financial assets	838,161	3,118,621
Decrease (increase) in other non-current assets	(10,965)	30,535
Net cash flows from (used in) investing activities	(1,339,038)	1,344,675
Cash flows from (used in) financing activities:		
Increase in short-term loans	-	24,000
Decrease in short-term loans	-	(36,000)
Increase in guarantee deposits received	10,526	67,542
Payment of lease liabilities	(36,791)	(31,832)
Cash dividends paid	(2,254,000)	(2,156,000)
Net cash flows from (used in) financing activities	(2,280,265)	(2,132,290)
Effect of exchange rate changes on cash and cash equivalents	(19,652)	5,948
Net (decrease) increase in cash and cash equivalents	(527,332)	542,399
Cash and cash equivalents at beginning of period	3,062,027	2,519,628
Cash and cash equivalents at end of period	$ 2,534,695	3,062,027

See accompanying notes to consolidated financial statements.

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Independent Auditors' Report

To the Board of Directors of TAIWAN FERTILIZER CO., LTD.:

Opinion

We have audited the financial statements of TAIWAN FERTILIZER CO., LTD.("the Company"), which comprise the Balance Sheets as of December 31, 2021 and 2020, and the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Impairment assessment of investments in equity method (including goodwill and intangible assets with an indefinite useful life)

   Please refer to notes 4(n), 5 and 6(h) for the "recognition of impairment assessment of investments accounted for by the equity method", "assumptions used and uncertainties considered in determining investments accounted for by the equity method, investments for impairment loss and obsolescence" and "balances of impairment loss and obsolescence", respectively.

Key audit matters:

As described in Note 6(h) of the accompanying financial statements, the Company acquired control over Taiwan Yes Deep Ocean Water Co., Ltd. (“ Taiwan Yes”), which was accounted for as acquisition using the equity method (including the goodwill and trademark with indefinite useful lives). In accordance with IAS 36 “Impairment of Assets”, goodwill and intangible assets with indefinite useful lives should be tested for impairment annually; and based on the estimated future cash flows of Taiwan Yes (the cash-generating unit), the recoverable amount was evaluated in order to determine whether there is any impairment of the aforementioned investment accounted for by using the equity method (including the goodwill and intangible assets with indefinite useful lives). Since the estimated future cash flows requires management’s forecasting of the industry overview and the future operating performance of Taiwan Yes, the recoverable amount will be affected and an impairment loss will be incurred should there be any change in the situation. Therefore, the impairment assessment of equity method investments has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included confirming whether the management have properly assessed the recoverability of goodwill based on the forecasted cash flows within the following 5 years, wherein the assessment have been reviewed by the competent authority; and verifying whether the management has disclosed the impairment of goodwill in the financial statements on a timely manner after identifying such circumstance. In addition, we also assessed the adequacy of the forecasting methods and the discount rate used by the management, and compared the discount rate with external information; verified the management’ s assumptions with external relevant information, and evaluated the major assumptions (including the forecast revenue growth rate, discount rate and forecast margin).

Other Matter

We did not audit the financial statements as of and for the years ended December 31, 2021 and 2020, of certain investees in equity method. Those statements were audited by other auditors, whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the Corporation’s financial statements for these investees, is based solely on the reports of the other auditors. As of December 31, 2021 and 2020, the investments in the aforementioned investees are 13.64% and 12.15% ($10,758,806 thousand and $9,202,183 thousand), of the Corporation’s total assets. For the years ended December 31, 2021 and 2020, the investment income on the above said investees are 81.84% and 20.03% ($3,074,009 thousand and $593,696 thousand) of the Corporation’s income before income tax.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company’s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuo-Yang Tseng and Heng-Shen Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2022

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	**December 31, 2021 Amount**	**%**	**December 31, 2020 Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (notes 6(a) and (t))	$ 1,917,886	3	2,521,222	3
1110	Total current financial assets at fair value through profit or loss (notes 6(b) and (t))	60,009	-	1,300,013	2
1120	Total current financial assets at fair value through other comprehensive income (notes 6(c) and (t))	127,059	-	112,566	-
1150	Notes receivable, net (notes 6(e)、(q) and (t))	188,453	-	117,543	-
1170	Accounts receivable, net (notes 6(e)、(q)、(t) and 7)	1,736,204	2	646,808	1
1200	Other receivables, net (notes 6(f)、(t) and 7)	10,672	-	11,523	-
130X	Total inventories (note 6(g))	2,667,289	4	2,774,010	4
1410	Total prepayments (note 7)	137,316	-	285,034	-
1476	Other current financial assets (notes 6(a) and (t))	68,203	-	900,000	1
1470	Total other current assets	15,215	-	7,299	-
		6,928,306	9	8,676,018	11
	Non-current assets:				
1517	Total non-current financial assets at fair value through other comprehensive income (notes 6(c) and (t))	3,439,803	5	2,712,178	4
1535	Non-current financial assets at amortised cost, net (notes 6(d) and (t))	-	-	28,507	-
1550	Investments accounted for using equity method, net (notes 6(h) and (t))	13,729,226	17	12,121,677	16
1600	Total property, plant and equipment (note 6(i))	11,928,382	15	12,421,858	17
1755	Right-of-use assets (note 6(j))	1,022,183	2	1,122,080	2
1760	Investment property, net (notes 6(k) and (l))	41,164,306	52	38,094,155	50
1780	Total intangible assets	13,680	-	11,724	-
1840	Deferred tax assets (note 6(n))	355,923	-	285,570	-
1930	Long-term notes and accounts receivable, net (notes 6(f) and (t))	84,125	-	115,396	-
1980	Total other non-current financial assets (notes 6(a)、(t) and 8)	159,425	-	159,188	-
1990	Total other non-current assets, others (note 6(t))	31,436	-	20,020	-
		71,928,489	91	67,092,353	89
	Total assets	$ 78,856,795	100	75,768,371	100

	Liabilities and Equity	**December 31, 2021 Amount**	**%**	**December 31, 2020 Amount**	**%**
	Current liabilities:				
2130	Current contract liabilities (note 6(q))	$ 139,704	-	83,449	-
2150	Total notes payable (note 6 (t))	1,090	-	1,060	-
2170	Total accounts payable (notes 6(t) and 7)	2,281,757	3	463,288	1
2200	Total other payables (notes 6(t) and 7)	708,388	1	561,234	1
2230	Current tax liabilities	111,968	-	71,196	-
2280	Current lease liabilities (note 6(t))	27,594	-	27,795	-
2313	Unearned revenue (note 6(k))	389,525	1	389,525	1
2310	Other advance receipts	19,820	-	305,889	-
2399	Other current liabilities, others	45,872	-	52,190	-
		3,725,718	5	1,955,626	3
	Non-Current liabilities:				
2550	Total non-current provisions	223,648	-	223,648	-
2570	Total deferred tax liabilities (note 6(n))	7,449,720	10	7,104,724	10
2580	Non-current lease liabilities (note 6(t))	108,868	-	136,462	-
2630	Long-term deferred revenue (note 6(k))	14,257,410	18	14,627,720	19
2640	Net defined benefit liability, non-current (note 6(m))	136,612	-	131,319	-
2645	Guarantee deposits received (notes 6(t) and 7)	326,959	-	280,161	-
	Total liabilities	26,228,935	33	24,459,660	32
	Equity (note 6(o)):				
3100	Total capital stock	9,800,000	12	9,800,000	13
3200	Total capital surplus	2,244,652	3	2,244,652	3
	Retained earnings:				
3310	Legal reserve	3,673,475	5	3,397,549	5
3320	Special reserve	30,743,799	39	30,823,647	41
3350	Total unappropriated retained earnings	3,950,024	5	3,391,695	4
3400	Total other equity interest	2,215,910	3	1,651,168	2
	Total equity	52,627,860	67	51,308,711	68
	Total liabilities and equity	$ 78,856,795	100	75,768,371	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Total operating revenue (notes 6(k) 、(l)、(q) and 7)**	$ 13,074,793	100	9,931,129	100
5000	**Total operating costs (notes 6(g) 、(m) 、7 and 12)**	(11,221,605)	(86)	(7,458,489)	(75)
5900	**Gross profit from operations**	1,853,188	14	2,472,640	25
	Operating expenses (notes 6(m) 、(r) and 12):				
6100	Total selling expenses	(396,606)	(3)	(258,061)	(2)
6200	Total administrative expenses	(1,013,486)	(8)	(959,675)	(10)
6300	Total research and development expenses	(58,695)	-	(66,602)	(1)
6450	Expected credit loss	(2,569)	-	-	-
		(1,471,356)	(11)	(1,284,338)	(13)
6900	**Net Operating income**	381,832	3	1,188,302	12
	Non-operating income and expenses:				
7100	Total interest income (note 6(s))	14,062	-	37,684	-
7010	Total other income (notes 6(c) and (s))	102,699	1	97,462	1
7020	Other gains and losses, net (notes 6(s) and 12)	106,695	1	1,020,337	10
7050	Finance costs, net (note 6(s))	(3,030)	-	(3,581)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	3,153,849	24	623,979	7
	Total non-operating income and expenses	3,374,275	26	1,775,881	18
	Profit from continuing operations before tax	3,756,107	29	2,964,183	30
7950	Less: Income tax expenses (note 6(n))	721,491	6	511,302	5
	Profit	3,034,616	23	2,452,881	25
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(3,848)	-	(35,816)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	775,903	6	715,107	7
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(11,338)	-	10,833	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(770)	-	(7,163)	-
		761,487	6	697,287	7
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(278,237)	(2)	(512,377)	(5)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(55,283)	-	(101,288)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss	(222,954)	(2)	(411,089)	(4)
8300	**Other comprehensive income**	538,533	4	286,198	3
8500	**Total comprehensive income**	**$ 3,573,149**	**27**	**2,739,079**	**28**
	Basic earnings per share (note 6(p))				
9750	**Basic earnings per share**	**$**	**3.10**		**2.50**
9850	**Diluted earnings per share**	**$**	**3.09**		**2.50**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2020	$ 9,800,000	2,244,073	3,191,153	31,147,849	2,994,828	37,333,830	(51,551)	1,398,701	1,347,150	50,725,053
Profit	-	-	-	-	2,452,881	2,452,881	-	-	-	2,452,881
Other comprehensive income	-	-	-	-	(17,820)	(17,820)	(411,089)	715,107	304,018	286,198
Total comprehensive income	-	-	-	-	2,435,061	2,435,061	(411,089)	715,107	304,018	2,739,079
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	206,396	-	(206,396)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,156,000)	(2,156,000)	-	-	-	(2,156,000)
Reversal of special reserve	-	-	-	(324,202)	324,202	-	-	-	-	-
Other changes in capital surplus	-	579	-	-	-	-	-	-	-	579
Balance at December 31, 2020	9,800,000	2,244,652	3,397,549	30,823,647	3,391,695	37,612,891	(462,640)	2,113,808	1,651,168	51,308,711
Profit	-	-	-	-	3,034,616	3,034,616	-	-	-	3,034,616
Other comprehensive income	-	-	-	-	(14,416)	(14,416)	(222,954)	775,903	552,949	538,533
Total comprehensive income	-	-	-	-	3,020,200	3,020,200	(222,954)	775,903	552,949	3,573,149
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	275,926	-	(275,926)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,254,000)	(2,254,000)	-	-	-	(2,254,000)
Reversal of special reserve	-	-	-	(79,848)	79,848	-	-	-	-	-
Disposal of investments in equity instruments designed at fair value through other comprehensive income	-	-	-	-	(11,793)	(11,793)	-	11,793	11,793	-
Balance at December 31, 2021	**$ 9,800,000**	**2,244,652**	**3,673,475**	**30,743,799**	**3,950,024**	**38,367,298**	**(685,594)**	**2,901,504**	**2,215,910**	**52,627,860**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2021	**2020**
Cash flows from (used in) operating activities:		
Profit before tax	$ 3,756,107	2,964,183
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,029,078	1,024,419
Amortization expense	7,078	6,524
Expected credit loss for bad debt expense	2,569	-
Net gain on financial assets or liabilities at fair value through profit or loss	(2,365)	(5,065)
Interest expense	3,030	3,581
Interest income	(14,062)	(37,684)
Dividend income	(54,585)	(41,776)
Share of profit of subsidiaries,associates and joint ventures accounted for using equity method	(3,153,849)	(623,979)
Loss (gain) on disposal of property, plant and equipment, net	11,205	(1,025)
Gain on disposal of investment properties	(216,741)	(1,047,961)
Impairment loss on non-financial assets	29,913	-
Unrealized foreign currency exchange loss	844	1,597
Donation expense	-	10,075
Compensation	18,556	-
Total adjustments to reconcile profit (loss)	(2,339,329)	(711,294)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	(70,910)	76,354
Decrease (increase) in accounts receivable	(1,065,117)	88,973
Decrease (increase) in other receivable	9,773	4,031
Decrease (increase) in inventories	106,721	(380,104)
Decrease (increase) in prepayments	117,898	(170,435)
Decrease (increase) in other current assets	(7,962)	(5,463)
Total changes in operating assets	(909,597)	(386,644)
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	56,255	(22,745)
Increase (decrease) in notes payable	30	(8,959)
Increase (decrease) in accounts payable	1,818,469	(153,149)
Increase (decrease) in other payable	207,073	13,260
Increase (decrease) in receipts in advance	(312,917)	292,494
Increase (decrease) in other current liabilities	(6,318)	4,016
Increase (decrease) in net defined benefit liability	1,445	(11,983)
Increase (decrease) in deferred credits	(370,310)	(390,367)
Total changes in operating liabilities	1,393,727	(277,433)
Total changes in operating assets and liabilities	484,130	(664,077)
Total adjustments	(1,855,199)	(1,375,371)
Cash inflow generated from operations	1,900,908	1,588,812
Interest received	14,525	39,026
Dividends received	1,236,064	234,284
Interest paid	(3,030)	(3,581)
Income taxes refund (paid)	(350,023)	(554,572)
Net cash flows from (used in) operating activities	2,798,444	1,303,969

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(150,000)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	31,920	98,000
Proceeds from disposal of financial assets at amortised cost	27,663	-
Acquisition of financial assets designated at fair value through profit or loss	(3,660,000)	(5,710,000)
Proceeds from disposal of financial assets designated at fair value through profit or loss	4,902,369	5,975,233
Acquisition of investments accounted for using equity method	-	(500,000)
Acquisition of property, plant and equipment	(340,967)	(197,718)
Proceeds from disposal of property, plant and equipment	2,065	1,039
(Increase) decrease in refundable deposits	(11,416)	30,514
Decrease in other receivables	23,751	15,680
Acquisition of intangible assets	(9,034)	(2,230)
Acquisition of investment properties	(3,265,694)	(2,515,774)
Proceeds from disposal of investment properties	301,000	1,422,740
Decrease in other financial assets	831,560	3,225,104
Net cash flows from (used in) investing activities	(1,166,783)	1,692,588
Cash flows from (used in) financing activities:		
Increase in guarantee deposits received	46,798	29,552
Payment of lease liabilities	(27,795)	(27,245)
Cash dividends paid	(2,254,000)	(2,156,000)
Net cash flows from (used in) financing activities	(2,234,997)	(2,153,693)
Net (decrease) increase in cash and cash equivalents	(603,336)	842,864
Cash and cash equivalents at beginning of period	2,521,222	1,678,358
Cash and cash equivalents at end of period	$ 1,917,886	2,521,222

See accompanying notes to parent company only financial statements.

Ratification No. 2

Subject: The Company's 2021 earnings allocation.

Submitted by the Board of Directors

Description:

I. The Company's financial statements from January 1, 2021 to December 31, 2021 have been audited by CPAs, and the net profit after tax of the year is NTD 3,034,615,981.

II. The 2021 settled earnings after tax and the undistributed earnings are intended to be distributed as following:

(I) 10% appropriated as legal reserve:
On the basis of the net profit after tax of 2021 is NTD3,034,615,981, the re-measurement of defined benefit plan accounted as retained earnings of NTD 14,416,715 and the disposal of the adjustment to the equity instrument measured by FVOCI of NTD11,793,378 are deducted, an the reversal recognized a special reserves by TIFRS for the first time of NTD79,848,739 is added. 10% of such balance is appropriated as legal reserve, for NTD308,825,463.

(II) Bonus distribution.
On the basis of the net profit after tax of 2021 is NTD3,034,615,981, the undistributed earnings after adjustment of NTD915,407,676 is added, and the legal reserve of NTD308,825,463 and the undistributed earnings at the end of the period of NTD897,198,194 are deducted. The balance of NTD2,744,000,000 will be distributed as the shareholders' bonus in cash for NTD2.8 per share.

III. The proposal has been reviewed by the Audit Committee in the 5th meeting, 2th Term on March 22, 2022, and approved by the Board of Directors in the 5th meeting, 35th Term on March 22, 2022. Upon the approval of the AGM, the Board of Directors is authorized to determine the base date of dividend. In addition, before the base date of dividend distribution to shareholders, in case of any buyback or transfer, conversion, write-off of treasury shares as indicated in Article 28-2 of the Securities and Exchange Act, that affect the total outstanding shares and thus the dividend yield changes, the Board of Directors is fully authorized to handle this.

IV. The aggregation information regarding the actual receivers of employees' remuneration and the amounts of the previous year (2020) is disclosed in the Company's annual report and MOPS.

V. As the Company do not prepare financial forecast nor distribute bonus share, the effect of bonus share on the Company's performance, EPS, and ROI of shareholders are not applicable.

VI. Attached please find the Company's 2021 earnings distribution table (see later)

Resolution: The above proposal was thereby approved as proposed.

The voting rights of the attending shareholders when voting: 729,423,248 rights.

Voting Results	**Percentage of the voting rights of the attending shareholders**
Votes favorable: 703,102,486 rights (electronic votes of 293,085,667 rights included)	96.39%
Votes against: 367,214 rights (electronic votes of 367,214 rights included)	0.05%
Invalid rights: 0 right	0%
Abstained and un-voted rights: 25,953,548 rights (electronic votes of 21,921,884 rights included)	3.55%

Attachment

TAIWAN FERTILIZER CO., LTD.
EARNINGS DISTRIBUTION TABLE
2021

Unit: NTD $

Items	Amount		Remarks
I. Intended Distribution:			
Undistributed earnings at the beginning of the period		861,769,030	
Reversal recognized a special reserves by TIFRS for the first time		79,848,739	
Remeasurement of defined benefit plan accounted as retained earnings		-14,416,715	
Disposal of the equity instrument measured by FVOCI		-11,793,378	
Undistributed earnings after adjustment		915,407,676	
Net profit after tax of the year		3,034,615,981	
Appropriation for legal reserve (10%)		-308,825,463	Note 1
Distributable earnings of the period		3,641,198,194	
II. Distribution Items:			
Dividend to shareholders- cash (NTD 2.8 per share X 980,000,000 shares)		-2,744,000,000	Note 2
Undistributed earnings at the end of the period		897,198,194	

Notes:

(1) The undistributed earnings at the beginning of the period is the amount of the "undistributed earnings at the end of the period" listed on the 2020 Earnings Distribution Table approved by the 2021 AGM.

(2) The earnings of 2021 will be distributed first.

(3) The total frictions of cash dividends under NTD 1 will be listed as the other income of the Company.

Note 1: Article 237, paragraph 1, the Company Act

(1) A company, when allocating its surplus profits after having paid all taxes and dues, shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.

(2) When appropriating the 2021 legal reserve, it was handled pursuant to the Letter Jing-Shan-Zhi No. 10802432410 and No. 10902005780 by MOEA.

Note 2: Article 25, Paragraph 3, the Articles of Incorporation

In case where the Company have surplus profit after settling the annual accounts, when allocating its surplus profits after having paid all taxes and dues, shall first set aside ten percent of said profits as legal reserve, and appropriate or reverse the special reserves as required by laws. The sum of such balance with the accumulated undistributed earnings from the previous year is deemed the distributable earnings. However, the special reserves may be reserved or appropriated as the operation requires, and the Board of Directors will propose the earnings distribution to the AGM to distributing bonus to shareholders.

IV. Discussion Items

Discussion Item No. 1

Cause: Approval of the amendments to provisions of the “Articles of Incorporation.” Submitted by the Board of Directors

Description:

I. To cope with the amendment to the Company Act on December 29, 2021, and comply with the “Corporate Governance 3.0 - Sustainable Development Blueprint” for the enhancement of the Board of Directors’ function, the Articles of Incorporation are amended.

II. The key amendments are listed below:

(I) Article 11-1, the article is added to allow the shareholders’ meeting to be held by means of visual communication network

(II) Article 16: Adding the directors’ seats to nine to eleven, and if required, one more seat of the independent director shall be added.

(III) Article 16-1: The requirements regarding the independent directors’ seats move to Article 16.

(IV) Article 19: The frequency of board meetings, from convening monthly as a principle, is amended to at least every quarter, to cope with the regulations.

III. The comparative list for amendments to Taiwan Fertilizer Co., Ltd.’s “Articles of Incorporation” is enclosed herewith (see Attachment).

Resolution: The above proposal was thereby approved as proposed.

The voting rights of the attending shareholders when voting: 729,423,248 rights.

Voting Results	**Percentage of the voting rights of the attending shareholders**
Votes favorable: 702,700,624 rights (electronic votes of 292,683,805 rights included)	96.33%
Votes against: 367,216 rights (electronic votes of 367,216 rights included)	0.05%
Invalid rights: 0 right	0%
Abstained and un-voted rights: 26,355,408 rights (electronic votes of 22,323,744 rights included)	3.61%

Comparative List for Amendments to Taiwan Fertilizer Co., Ltd.'s Articles of Incorporation in part

Amended Provision	Current Provision	Remarks
Article 11-1 The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority		I. This article is newly added. II. The amendment to Article 172 of the Company Act was announced on December 29, 2021, for the regulation applying to the public company when holding shareholders' meeting by means of visual communication network. Pursuant to Paragraph 1 of the Article, A company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority, i.e. MOEA. Article 11-1 is thus added.
Article 16 The Company sets nine to eleven seats of directors, at least three of them are independent directors, and are elected by the shareholders' meeting from among the persons with disposing capacity. The term of the office is three years, and the directors may be re-elected for the next term; provided, the independent directors must not take the office for more than nine straight years. The total amount of the registered shares of the Company held by all the directors shall comply with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies." The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties	Article 16 The Company sets nine seats of directors, who are elected by the shareholders' meeting from among the persons with disposing capacity. The term of the office is three years, and the directors may be re-elected for the next term; provided, the independent directors must not take the office for more than nine straight years. The total amount of the registered shares of the Company held by all the directors shall comply with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies." The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.	I. The regulations regarding seats of independent directors are moved to Paragraph 1, as a clarification. II. To comply with the "Corporate Governance 3.0 - Sustainable Development Blueprint" for the enhancement of the Board of Directors' function, the seats of the independent directors are increased, and maintain the seats of directors as an odd number; therefore Paragraph 1 is amended, and Paragraph 3 is added.

during their terms of directorship. Where the chairman of the board of directors and the president or person of an equivalent post are the same person, spouses or relations within the first degree of kinship, independent directors in Paragraph 1 shall be established as four.		
Article 16-1 The election of independent directors and non-independent directors adopts the candidate nomination system. Shareholders shall elect from the candidate list, and the elections shall be held together, while the seats of elected are counted separately. The qualifications, shareholdings, restrictions on the positions concurrently held, nomination and election methods, and other matters to be complied with, shall comply with the regulations of the competent authority of securities.	Article 16-1 Among the director seats in Paragraph 1 of the preceding article, three are independent directors. The election of independent directors and non-independent directors adopts the candidate nomination system. Shareholders shall elect from the candidate list, and the elections shall be held together, while the seats of elected are counted separately. The qualifications, shareholdings, restrictions on the positions concurrently held, nomination and election methods, and other matters to be complied with, shall comply with the regulations of the competent authority of securities.	The current Paragraph 1 is deleted. To cope with the adjustment to the directors' seats, the Paragraph is moved to Paragraph 1, Article 16, and this article is deleted.
Article 19 The general meetings of the Board shall be convened at least every quarter. In emergency circumstances, however, a meeting may be called any time. Where a meeting of the Board of Directors is called by the Chairperson of the Board, the meeting shall be chaired by the Chairperson. When the Chairperson is on leave or for any reason, and is unable to exercise the powers of the chairperson, the Chairperson may designate one director to act on his/her behalf; if the	Article 19 The general meetings of the Board shall be convened monthly as a principle. In emergency circumstances, however, a meeting may be called any time. Where a meeting of the Board of Directors is called by the Chairperson of the Board, the meeting shall be chaired by the Chairperson. When the Chairperson is on leave or for any reason, and is unable to exercise the powers of the chairperson, the Chairperson may designate one director to	Paragraph 1 is amended to cope with Article 3 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."

Chairperson does not make such a designation, a director may elected by and from among themselves. Pursuant to Paragraph 4, Article 203, or Paragraph 3, Article 203-1, a board meeting convened by the majority or more of directors on their own, the chair shall be elected from these directors. Where any director is absent from a board meeting due to some reason, he/she may appoint a proxy in writing to exercise his/her authority on his/her behalf.	act on his/her behalf; if the Chairperson does not make such a designation, a director may elected by and from among themselves. Pursuant to Paragraph 4, Article 203, or Paragraph 3, Article 203-1, a board meeting convened by the majority or more of directors on their own, the chair shall be elected from these directors. Where any director is absent from a board meeting due to some reason, he/she may appoint a proxy in writing to exercise his/her authority on his/her behalf.	
Article 29 The Articles of Incorporation were established and approved in the incorporation meeting on June 4th, 1947. The amendment was made on September 1st, 1952 in the regular shareholders’ meeting; the amendment was made on June 19th, 1953 in the special shareholders’ meeting; the amendment was made on April 5th, 1954 in the regular shareholders’ meeting; the amendment was made on March 31st, 1955 in the regular shareholders’ meeting; the amendment was made on April 25th, 1958 in the regular shareholders’ meeting; the amendment was made on November 15th, 1958 in the special shareholders’ meeting; the amendment was made on May 14th, 1959 in the regular shareholders’ meeting; the amendment was made on May 10th, 1960 in the first special shareholders’ meeting; the amendment was made on October 21st, 1960 in the second special shareholders’ meeting; the amendment was made on April 29th, 1961 in the	Article 29 The Articles of Incorporation were established and approved in the incorporation meeting on June 4th, 1947. The amendment was made on September 1st, 1952 in the regular shareholders’ meeting; the amendment was made on June 19th, 1953 in the special shareholders’ meeting; the amendment was made on April 5th, 1954 in the regular shareholders’ meeting; the amendment was made on March 31st, 1955 in the regular shareholders’ meeting; the amendment was made on April 25th, 1958 in the regular shareholders’ meeting; the amendment was made on November 15th, 1958 in the special shareholders’ meeting; the amendment was made on May 14th, 1959 in the regular shareholders’ meeting; the amendment was made on May 10th, 1960 in the first special shareholders’ meeting; the amendment was made on October 21st, 1960 in the second special shareholders’ meeting; the amendment was made on April 29th, 1961 in the	The date of 2022 AGM is added to Paragraph 1.

regular shareholders' meeting; the amendment was made on March 18th, 1963 in the regular shareholders' meeting; the amendment was made on March 22nd, 1964 in the regular shareholders' meeting; the amendment was made on March 31st, 1965 in the regular shareholders' meeting; the amendment was made on August 16th, 1967 in the regular shareholders' meeting; the amendment was made on August 20th, 1969 in the regular shareholders' meeting; the amendment was made on September 15th, 1970 in the regular shareholders' meeting; the amendment was made on October 6th, 1972 in the regular shareholders' meeting; the amendment was made on March 2nd, 1974 in the regular shareholders' meeting; the amendment was made on July 24th, 1976 in the regular shareholders' meeting; the amendment was made on May 14th, 1982 in the regular shareholders' meeting; the amendment was made on May 20th, 1983 in the regular shareholders' meeting; the amendment was made on May 23rd, 1986 in the regular shareholders' meeting; the amendment was made on May 22nd, 1987 in the regular shareholders' meeting; the amendment was made on November 30th, 1987 in the first special shareholders' meeting; the amendment was made on September 27th, 1990 in the regular shareholders' meeting; the amendment was made on September 21st, 1991 in the regular shareholders' meeting; the amendment was made on September 17th, 1993 in the regular shareholders' meeting;	regular shareholders' meeting; the amendment was made on March 18th, 1963 in the regular shareholders' meeting; the amendment was made on March 22nd, 1964 in the regular shareholders' meeting; the amendment was made on March 31st, 1965 in the regular shareholders' meeting; the amendment was made on August 16th, 1967 in the regular shareholders' meeting; the amendment was made on August 20th, 1969 in the regular shareholders' meeting; the amendment was made on September 15th, 1970 in the regular shareholders' meeting; the amendment was made on October 6th, 1972 in the regular shareholders' meeting; the amendment was made on March 2nd, 1974 in the regular shareholders' meeting; the amendment was made on July 24th, 1976 in the regular shareholders' meeting; the amendment was made on May 14th, 1982 in the regular shareholders' meeting; the amendment was made on May 20th, 1983 in the regular shareholders' meeting; the amendment was made on May 23rd, 1986 in the regular shareholders' meeting; the amendment was made on May 22nd, 1987 in the regular shareholders' meeting; the amendment was made on November 30th, 1987 in the first special shareholders' meeting; the amendment was made on September 27th, 1990 in the regular shareholders' meeting; the amendment was made on September 21st, 1991 in the regular shareholders' meeting; the amendment was made on September 17th, 1993 in the regular shareholders' meeting;	

the amendment was made on September 29th, 1994 in the regular shareholders’ meeting; the amendment was made on May 20th, 1995 in the regular shareholders’ meeting; the amendment was made on September 30th, 1996 in the regular shareholders’ meeting; the amendment was made on September 27th, 1997 in the regular shareholders’ meeting; the amendment was made on November 10th, 1999 in the regular shareholders’ meeting; the amendment was made on May 16th, 2000 in the first special shareholders’ meeting; the amendment was made on June 26th, 2001 in the regular shareholders’ meeting; the amendment was made on June 23rd, 2003 in the regular shareholders’ meeting; the amendment was made on June 25th, 2004 in the regular shareholders’ meeting; the amendment was made on June 24th, 2005 in the regular shareholders’ meeting; the amendment was made on June 14th, 2006 in the regular shareholders’ meeting; the amendment was made on June 13th, 2007 in the regular shareholders’ meeting; the amendment was made on June 16th, 2009 in the regular shareholders’ meeting; the amendment was made on June 17th, 2010 in the regular shareholders’ meeting; the amendment was made on June 22nd, 2011 in the regular shareholders’ meeting; the amendment was made on June 27th, 2012 in the regular shareholders’ meeting; the amendment was made on June 25th, 2013 in the regular shareholders’ meeting; the amendment was made on June	the amendment was made on September 29th, 1994 in the regular shareholders’ meeting; the amendment was made on May 20th, 1995 in the regular shareholders’ meeting; the amendment was made on September 30th, 1996 in the regular shareholders’ meeting; the amendment was made on September 27th, 1997 in the regular shareholders’ meeting; the amendment was made on November 10th, 1999 in the regular shareholders’ meeting; the amendment was made on May 16th, 2000 in the first special shareholders’ meeting; the amendment was made on June 26th, 2001 in the regular shareholders’ meeting; the amendment was made on June 23rd, 2003 in the regular shareholders’ meeting; the amendment was made on June 25th, 2004 in the regular shareholders’ meeting; the amendment was made on June 24th, 2005 in the regular shareholders’ meeting; the amendment was made on June 14th, 2006 in the regular shareholders’ meeting; the amendment was made on June 13th, 2007 in the regular shareholders’ meeting; the amendment was made on June 16th, 2009 in the regular shareholders’ meeting; the amendment was made on June 17th, 2010 in the regular shareholders’ meeting; the amendment was made on June 22nd, 2011 in the regular shareholders’ meeting; the amendment was made on June 27th, 2012 in the regular shareholders’ meeting; the amendment was made on June 25th, 2013 in the regular shareholders’ meeting; the amendment was made on June	

24th, 2014 in the regular shareholders' meeting; the amendment was made on June 29th, 2016 in the regular shareholders' meeting; the amendment was made on June 14th, 2017 in the regular shareholders' meeting; the amendment was made on June 22nd, 2020 in the regular shareholders' meeting; the amendment was made on June 29th, 2022 in the regular shareholders' meeting.	24th, 2014 in the regular shareholders' meeting; the amendment was made on June 29th, 2016 in the regular shareholders' meeting; the amendment was made on June 14th, 2017 in the regular shareholders' meeting; the amendment was made on June 22nd, 2020 in the regular shareholders' meeting.	

Discussion Item No. 2

Cause: The amendments to the Company's “Operating Procedure for Acquisition or Disposition of Assets” in part. Submitted by the Board of Directors

Description:

I. Financial Supervisory Commission issued the amended “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” on 28 January 2022, and thus the Company amended the “Operating Procedures for the Acquisition and Disposal of Assets” accordingly.

II. The latest amendment covers three major parts:

(I) Enhancing the management of transaction with related parties.

(II) Enhancing the quality of the opinions issued by external experts.

(III) Relaxing requirements of information disclosure for certain transactions.

III. The proposal was approved by the Audit Committee after the deliberation and submitted to the 6th board meeting of the 35th Term on May 10, 2022.

IV. The comparison table of the “Operational Procedures for Acquisition and Disposal of Assets” of TAIWAN FERTILIZER CO., LTD. before and after the amendment is attached.

Resolution: The above proposal was thereby approved as proposed.

The voting rights of the attending shareholders when voting: 729,423,248 rights.

Voting Results	**Percentage of the voting rights of the attending shareholders**
Votes favorable: 702,729,714 rights (electronic votes of 292,712,895 rights included)	96.33%
Votes against: 344,529 rights (electronic votes of 344,529 rights included)	0.04%
Invalid rights: 0 right	0%
Abstained and un-voted rights: 26,349,005 rights (electronic votes of 22,317,341 rights included)	3.60%

Comparison Table of the "Operational Procedures for Acquisition and Disposal of Assets" of TAIWAN FERTILIZER CO., LTD. before and after amendment

Amended Clause	Existing Clause	Remarks
Chapter I. General Provisions Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since serving a sentence, since expiration of the period of a suspended sentence, or since a pardon was received. II. May not be a related party or de facto related party of any party to the transaction. III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related	Chapter I. General Provisions Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since serving a sentence, since expiration of the period of a suspended sentence, or since a pardon was received. II. May not be a related party or de facto related party of any party to the transaction. III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related	I. As the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" (hereinafter referred to as "the Regulations") specifies that when issuing an appraisal report or opinion, the external experts shall comply with the self-regulatory rules of the industry associations to which they belong and with the current provisions of paragraph 2, the introduction of Paragraph 2 is amended accordingly. II. Whereas, the aforesaid external experts conducting the task of issuing appraisal report or opinion, is not examining the financial report and thus the word "examining" a case is amended to "conducting" a case III. Considering the information sources, parameters and information used by the external experts and other actual evaluations, the wording in Subparagraph 3 and 4 of Paragraph 2 are revised to be consistent to the reality.

parties of each other。 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions: I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. II. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected and conclusion shall be fully and accurately specified in the case working papers. III. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters and the information, as the basis for issuance of the appraisal report or the opinion. IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion and that they have evaluated and found that the information used is appropriate and reasonable and that they have complied with the applicable laws and regulations.	parties of each other。 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following: I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected and conclusion shall be fully and accurately specified in the case working papers. III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy and reasonableness of the sources of data used, the parameters and the information, as the basis for issuance of the appraisal report or the opinion. IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion and that they have evaluated and found that the information used is reasonable and accurate and that they have complied with the applicable laws and regulations.	
Chapter II. Procedures for	Chapter II. Procedures for	I. Article 4 of the

Acquisition or Disposal of Real Property, Equipment or Right-of-Use Asset Thereof Article 9 Applicable Scope for Engaging Experts to Present Appraisal Reports In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser (refer Attachment 1 for the matters to be recorded in the appraisal report) and shall further comply with the following provisions: I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. II. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. III. Where any one of the following circumstances applies with respect to the professional appraiser's	Acquisition or Disposal of Real Property, Equipment or Right-of-Use Asset Thereof Article 9 Applicable Scope for Engaging Experts to Present Appraisal Reports In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser (refer Attachment 1 for the matters to be recorded in the appraisal report) and shall further comply with the following provisions: I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. II. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. III. Where any one of the following circumstances applies with respect to the	"Regulations" added that external experts shall comply with the self-regulatory rules of the industry associations to which they belong, which covers the procedures required for CPAs to issue the opinions; thus the texts in Sub-paragraph 3 of Paragraph 1 regarding the CPAs' compliance with SAS. II. Considering the operation time in required practice as the circumstance in Subparagraph 3 of Paragraph 1 requires CPAs to issue the opinions, Paragraph 3 is amended to extend the deadline for construction enterprise to obtain certified public accountant's opinion to two weeks and revised the number of paragraph.

appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (I) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount. (II) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 38, paragraph 2 herein; items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. Except for when a limited	professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter referred to as ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (I) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount. (II) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. The calculation of the transaction amounts referred to in the preceding paragraph shall	

price, specified price or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion <u>under sub-paragraph 3 of the paragraph 1 shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained</u>.	be done in accordance with Article 38, paragraph 2 herein; items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report and the certified public accountant's opinion under sub-paragraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence.	
Chapter III. Procedures for Acquisition or Disposal of Negotiable Securities Article 14 Obtaining the experts' opinions When the Company's transaction amount is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market or where otherwise provided by regulations of the FSC The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 38, paragraph 2 herein; items for which an appraisal report from a professional appraiser or a CPA's opinion has	Chapter III. Procedures for Acquisition or Disposal of Negotiable Securities Article 14 Obtaining the experts' opinions When the Company's transaction amount is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market or when otherwise provided by regulations of the FSC The calculation of the	Reason of amendment is the same as Article 9.

been obtained need not be counted toward the transaction amount.	transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 38, paragraph 2 herein; items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	
Chapter IV. Procedures for Acquisition or Disposal of Intangible Asset and the Right-of-Use Asset thereof or Membership Article 19 Expert’s Appraisal Opinion Report Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 38, paragraph 2 herein; items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	Chapter IV. Procedures for Acquisition or Disposal of Intangible Asset and the Right-of-Use Asset thereof or Membership Article 19 Expert’s Appraisal Opinion Report Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 38, paragraph 2 herein; items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	Reason of amendment is the same as Article 9.
Chapter V. Related Party Transactions Article 21 Appraisal and Operating Procedures When the Company intends to acquire or dispose of real	Chapter V. Related Party Transactions Article 21 Appraisal and Operating Procedures When the Company intends to acquire or dispose of real	I. Coping with the current provisions of the “Regulations,” paragraph 3 to 6 are moved to paragraph 2 to 5 in the amended provision and the

property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been deliberated by the Audit Committee and approved by the Board and recognized: I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. II. The reason for choosing the related party as a transaction counterparty. III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms is in accordance with Article 22 and Article 23. IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. V. Monthly cash flow forecasts	property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been deliberated by the Audit Committee and approved by the Board and recognized: I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. II. The reason for choosing the related party as a transaction counterparty. III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms is in accordance with Article 22 and Article 23. IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. V. Monthly cash flow forecasts	wording is revised. II. Adding Paragraph 6: to enhance the management of transactions with related parties, it is added that if the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company’s total assets, the public company shall submit the materials in all the subparagraphs of paragraph 2 to the shareholders’ meeting for approval before the transaction contract may be entered into and any payment made. However, the transactions between the Company and its parent company or subsidiaries or between its subsidiaries are not covered. III. The current Paragraph 2 is moved to Paragraph 7 of the amended provision, with the addition of Paragraph 6, and the calculation of transaction amounts to be approved by the shareholders’ meeting and the paragraph numbers are amended.

for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. VII. Restrictive covenants and other important stipulations associated with the transaction. With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 6 and the "Table of Authorities and Responsibilities Division among the Board and Managerial Personnel," delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. II. Acquisition or disposal of real property right-of-use assets held for business use. Where the position of independent director has been created, when a matter is submitted for discussion by the Board pursuant to paragraph 1, the Board shall take into full consideration each independent director's opinions. If an independent director objects to	for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. VII. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 38, paragraph 2 herein; and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to the Audit Committee for deliberation, and approved by the board of directors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 6 and the "Table of Authorities and Responsibilities Division among the Board and Managerial Personnel," delegate the Chairman to decide on such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors' meeting:	

or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting. The matters to be deliberated by the Audit Committee pursuant to Paragraph 1, shall be approved by one-half or more of all audit committee members and submitted to the Board for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board meeting. The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions. If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the sub-paragraphs of paragraph 2 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amount referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Paragraph 2 of	I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. II. Acquisition or disposal of real property right-of-use assets held for business use. Where the position of independent director has been created, when a matter is submitted for discussion by the Board pursuant to the preceding paragraph, the Board shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting. The matters to be deliberated by the Audit Committee pursuant to Paragraph 1, shall be approved by one-half or more of all audit committee members and submitted to the Board for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board meeting. The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.	

Article 38, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to the shareholders' meeting, deliberated by the Audit Committee and approved by the board of directors per the Procedures need not be counted toward the transaction amount.		
Chapter VIII. Public Disclosure of Information Article 38 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. II. Merger, demerger, acquisition, or transfer of shares. III. Losses from derivatives trading reaching the limits	Chapter VIII. Public Disclosure of Information Article 38 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. II. Merger, demerger, acquisition, or transfer of shares. III. Losses from derivatives trading reaching the limits	I. As the "Regulations" relaxed the requirements to exempt trading of foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan from public announcement, Item 1, Subparagraph 7, Paragraph 1 is amended. II. Considering that the Company is not a financial institution or a professional investor, wording in Sub-paragraph 7, Paragraph 1 is amended and Item 2 is deleted.

on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: (I) For a public company whose paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more. (II) For a public company whose paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more. V. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; among such cases, if the public company has paid-in capital of NT$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself. Furthermore, the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT$1 billion or more. VI. Where land is acquired under an arrangement on engaging others to build on the company's own land,	on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: (I) For a public company whose paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more. (II) For a public company whose paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more. V. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; among such cases, if the public company has paid-in capital of NT$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself. Furthermore, the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT$1 billion or more. VI. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on	

engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party. The amount the company expects to invest in the transaction reaches NT$500 million. VII. Where an asset transaction other than any of those referred to in the preceding six sub-paragraphs, or an investment in the mainland China area reaches 20 percent or more of the paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: (I) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan. (II) Trading of bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows: I. The amount of any individual transaction. II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. III. The cumulative transaction amount of acquisitions and	rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party. The amount the company expects to invest in the transaction reaches NT$500 million. VII. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: (I) Trading of domestic government bonds. (II) Where it is done by professional investors—securities trading on securities exchanges or OTC markets or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of	

disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph, refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowledge of such error or omission. The Company, when acquiring or disposing of assets, shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA,	the Taipei Exchange. (III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows: I. The amount of any individual transaction. II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph, refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the	

attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.	information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowledge of such error or omission. The Company, when acquiring or disposing of assets, shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.	

V. **Motions：**

1. Shareholder A/C 354172, Cheng, Ming-Long: TFC's ranking in the Corporate Governance Evaluation of SFI dropped dramatically, the promotional expenses are not beneficial to the core business, the 2021 and 2022 COA's subsidiaries, and the prohibition of fertilizer selling prices from rising?
2. Shareholder A/C 261826, Tsai, Chung-Yu: the selling prices of fertilizers shall be risen to fully reflect various production costs; if the fertilizers' prices shall rise, just rise, and wait for these who advocate the subsidiaries to offer the funds.
3. Shareholder A/C 370948, Hsieh, Ming-Ta: What are the reasons resulting substantial increase in 2022 Q1 promotional expenses and management expenses? In Q1, NT$16.07 million loss is recognized due to the loss in the core business and the remunerations to the directors and supervisors. What are the concrete countermeasures to the loss in the core business conducted by the directors and supervisors?
4. Shareholder A/C 350356, Han, Peng-De: Mitagri and Taiwan Agricultural Investment and Development have been in loss for several years, and will TFC keep on supporting the governmental policies? Why Al- Jubail Fertiliser is a non-operating income in the statement rather than the operating income, among other questions.
5. Shareholder A/C 352077, Zhou, Yuan-Yu: what are the effects on profits from the corporate governance, social responsibility, and prohibition of fertilizer selling prices from rising? Salaries of TFC's senior management shall be correlated to the operating results.
6. Shareholder A/C 370889, Li, Ren-Shou: the selling prices of domestic fertilizer shall not be the price generating loss; if the fertilizer selling prices are locked from rising, the COA shall provide the full subsidies.

The speeches above have been explained by the chair and the managerial departments.

VI. **Dismissed of the meeting：** The meeting was adjourned.

※Remarks: the meeting minute only summarize the gist of shareholders' speeches. For the details, please refer to the audio and video taping of the meeting.