Stock No.: 1722

TAIWAN FERTILIZER CO., LTD.

2023 General Shareholders' Meeting
Meeting Handbook

June 28, 2023
Venue：1F, No. 170, Jingmao 1st Rd., Nangang Dist., Taipei City 115018
Type：Physical shareholders' meeting

Table of Contents

Meeting Agenda **1**

Reported **2**

I. The Company's 2022 business report 2

II. The Audit Committee's report on the Company's 2022 annual final accounts and statements 4

III. The report on remuneration to the Company's directors and employees in 2022 .. 5

IV. The report on amendments to the "Company's Parliamentary Rules for Directors' Meetings" in part 6

Ratification **11**

I. The Company's 2022 business report and financial statements 11

II. The Company's 2022 earnings distribution 30

Discussion **32**

I. Proposal to release Independent Director, Lin, Su-Ming, from the non-compete restriction 32

Election **33**

An independent director is to be elected additionally for the 35th board of directors 33

Extemporary Motions ....

Appendix **34**

I. Rules of Procedure for Shareholders Meetings of Taiwan Fertilizer Co., Ltd. 35

II. Articles of Incorporation of Taiwan Fertilizer Co., Ltd. 42

III. Rules of Procedure for Board of Directors Meetings, Taiwan Fertilizer Co., Ltd. 51

IV. The Procedures for Electing Directors and Independent Directors of Taiwan Fertilizer Co., Ltd. 57

V. Status of Share Ownership by Directors (Independent Directors) 59

VI. The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate 60

TAIWAN FERTILIZER CO., LTD.
2023 General Shareholders' Meeting Agenda

Date: June 28, 2023, 9:00AM (Wednesday)

Venue: 1F, No. 170, Jingmao 1st Rd., Nangang Dist., Taipei City 115018

Agenda:

I. Meeting called to order: Report the number of shares represented by the shareholders present

II. Speech given by the chairperson

III. Reported matters

IV. Ratification matters

V. Discussion matters

VI. Election matters

VII. Extemporary motion

VIII. Meeting Adjourned

Reported No. 1

Subject: The Company’s 2022 business report.

Description:

I. The 2022 business report has been reviewed by the Audit Committee in the 10th meeting, 2nd Term on March 8, 2023, and approved by the Board of Directors in the 10th meeting, 35th Term on March 8, 2023.

II. Attached please find the Company's 2022 business report

Business Report

I. Foreword:

Looking back on 2022, due to the continuously surging international raw material market and the impact of geopolitical conflicts, all the sectors and industries have been severely impacted. Coupled with the high international marine freight costs and the continuous outbreak of the pandemic, more severe challenges were faced in the Company's operations. However, with the concerted efforts and hard working of the management team and all employees, both the core businesses, fertilizer and chemical engineering, and leasing projects have grown revenue. Meanwhile, due to the recognition of the investment gains from Al-Jubail Fertilizer, the final consolidated net profit for the current period was NTD2,669,649 thousands.

II. Operation Highlights:

(I) Production and marketing:

The Company's actual output of fertilizer products totaled 709,882 tons in 2022, an increase of 12.81% from 2021. The output of chemical engineering products totaled 210,087 tons, an increase of 2.74% from 2021. The actual sales of fertilizer products in 2022 was totaled 718,899 tons, a decrease of 2.39% from 2021 (the domestic sales volume of fertilizer products, and the decrease resulted from the reduced re-sale of urea by Al-Jubail Fertilizer Company), and chemical engineering products totaled 186,629 tons, a decrease of 16.05% from 2021.

(II) Operating revenue and profit:

1. Parent-only financial statement
   The operating revenue was NTD14,264,756 thousand in 2022, increased by 9.1% from NTD13,074,793 thousand in 2021. The net operating profit, NTD-668,995 thousand, decreased by 275.21% from 2021. The net non-operating profit was NTD3,926,075 thousand, an increase of 16.35% from 2021. The current profit if NTD2,669,649 thousand, a decrease of 12.03% from 2021.

2. Consolidated financial statements
   The operating revenue was NTD15,052,251 thousand in 2022, increased by 10.2% from NTD13,659,406 thousand in 2021. The net operating profit, NTD-488,523 thousand, decreased by 196.29% from 2021. The net non-operating profit was NTD3,784,988 thousand, an increase of 15.24% from 2021. The current profit if NTD2,669,649 thousand, a decrease of 12.03% from 2021.

(III) Financial structure:

1. Parent-only financial statement
   The Company had solid financial structure. Until December 31, 2022, the Company has had the assets totaled NTD80,421,034 thousand, and liabilities totaled NTD27,360,038 thousand. The liability ratio was 34.02%. The equity amounted to NTD53,060,996 thousand, and the net worth per share is NTD54.14.

2. Consolidated financial statements
   The Company had a solid financial structure. Until December 31, 2022, the Company had assets that totaled NTD80,752,474 thousand, and liabilities totaling NTD27,691,478 thousand. The liability ratio was 34.29%. The equity amounted to NTD53,060,996 thousand, and net worth per share is NTD54.14.

(IV) Investment plans:

Nangang C2 development project has reached 94% of the overall development progress (as of December 2022). The office building is being leased. For the hotel building, it is expected to obtain the use permit in the first quarter of 2023. Nangang C4 development project has reached 46% of the overall development progress (as of December 2022), and the construction is proceeded as schedule. For the development projects of the Scientific Park Area of Hsinchu City, the TFC 1 office building has been fully leased out, and currently the development projects for the new office building (construction permit obtained) and residence (construction permit obtained) are in progress. The land of the old production factory in Kaohsiung will participate in the rezoning of urban land sponsored by the government. Going forward, the best development planning will be made based on the market conditions and actual progress of the re-zoning.

III. Outlook:

International geopolitical conflicts and the COVID-19 pandemic continue to affect the global supply chain. In particular, fluctuations in the bulk raw material prices impacts the profits significantly. The Company will continuously monitor the development of the international situation and make relevant preparations to respond.

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, with the synergies of operation and management, and the promotion of energy-saving and carbon-reduction, it is 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 2022 annual final accounts and statements.

Audit Report of the Audit Committee

The Company's 2022 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:
2023 General Shareholders’ Meeting of the Company

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

林世銘

March 8, 2023

Reported No. 3

Subject: The report on remuneration to the Company's directors and employees in 2022 is submitted. Submitted by the Board of Directors

Description:

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

II. The profit sought by the Company in 2022 based on the financial statements as audited by KPMG (the income before earnings before tax less remuneration to employees and directors) totaled NTD3,392,791,718.

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

(I) Remuneration to directors, NTD54,284,667, in cash:

Meet the requirement about 1.6% of the profit, NTD3,392,791,718, in 2022.

(II) Remuneration to employees, NTD81,427,001, in cash:

Meet the requirement about 2.4% of the profit, NTD3,392,791,718, in 2022.

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 be align the Articles 3, 7, and 19 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” promulgated by the FSC, Paragraphs 1 and 2 of Article 4, the “Rules of Procedure for Board of Directors Meetings” are amended, while adding Subparagraph 6, Paragraph 1 of Article 13, and amending Paragraph 2 of Article 13. Article 7 is also amended to cope with the time. The key points of the amendments are as below:

(I) Amendment to Paragraphs 1 and 2 of Article 4: each subparagraph of Paragraph 1, Article 13 provides the material matters involving the Company’s operation, and such matters shall be specified in the reasons for calling the meeting, so the directors will have sufficient information and time to evaluate the motion before making any decision. Therefore, the texts in the later half of the article is added, and the exception provided in Paragraph 2 is deleted, and it is specified that any matter specified in Paragraph 1, Article 13 of the Regulations shall be listed in the reasons for calling the meeting and must not be proposed as an extempore motion.

(II) Amendment to Article 7: In light of technological advances, a screenshot of video conference is sufficient to show the faces and names of all the attending members, to replace sign-in. Therefore, the later half of the provision is deleted.

(III) Addition Subparagraph 6 of Paragraph 1, Article 13: by Paragraphs 1 and 2 of Article 208, the Company Act, and the Interpretation Letter of MOEA, Jing-Shang-Zhi No.09402105990 dated August 2, 2005, and based on the consideration that both discharging and electing a chairman is a material matter of the Company, Paragraph 6 is added, that the election or discharge of chairman shall be submitted to the board of directors for discussion in the event that no managing director is empowered by the board of directors. The current Paragraphs 6 to 8 are moved to Paragraphs 7 to 9.

II. The comparative list for amendments to the “Rules of Procedure for Board of Directors Meetings, Taiwan Fertilizer Co., Ltd.” in part is enclosed herewith as an attachment.

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

Amended Provision	Current Provision	Remarks
Article 4 All directors should be notified of any general director's meeting at least 7 days prior to the meeting. The time, venue and reasons for calling the meeting shall be identified in the meeting notice to be sent together with the information related to the meeting, provided that if any extempore or urgent motion shall be included in the agenda, the information about the motion may be distributed immediately. <u>However, in the occurrence of any circumstance specified in each subparagraph of Paragraph 1, Article 13 of the Regulations, the motion shall not be included.</u> A special meeting may be called from time to time. However, for any matter specified in <u>Paragraph 1</u>, Article 13 of the Regulations, such matter shall be listed in the reasons for calling the meeting and must not be proposed as an extempore motion. The notice set forth in the preceding two paragraphs may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.	Article 4 Any general directors' meeting shall be notified to each director within 7 days prior to the meeting. The time, venue and reasons for calling the meeting shall be identified in the meeting notice to be sent together with the information related to the meeting, provided that if any extemporaneous or urgent motion shall be included in the agenda, the information about the motion may be distributed instantly. A special meeting may be called from time to time. All matters set out in Article 13 herein shall be specified in the notice of the reasons for calling a board of directors meeting. None of them may be raised by an extemporary motion <u>except in the case of an emergency or with a legitimate reason</u>. The notice set forth in the preceding two paragraphs may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.	I. Paragraph 3 is not amended. II. Whereas, each subparagraph of Paragraph 1, Article 13 provides the material matters involving the Company's operation, and such matters shall be specified in the reasons for calling the meeting, so the directors will have sufficient information and time to evaluate the motion before making any decision. Therefore, the exception provided in Paragraph 2 is deleted, and it is specified that any matter specified in Paragraph 1, Article 13 of the Regulations shall be listed in the reasons for calling the meeting and must not be proposed as an extempore motion. In addition, for any emergency to be discussed in a board meeting, a board meeting may be called any time pursuant to Paragraph 2, and no effect is expected for the Company's business or normal operation. The convening of an emergency board meeting shall be held at a place and time convenient for the directors to attend in accordance with Article 5; and according to Paragraph 1, Article 4, the agenda and information related to the meeting, along with the meeting notice shall be served to the board members.
Article 7 Where a board meeting is held in a manner of video	Article 7 Where a board meeting is held in a manner of video	In light of technological advances, video conference screens may show the faces and

conference, any director who attends the meeting in a manner of video conference is deemed attending in person.	conference, any director who attends the meeting in a manner of video conference is deemed attending in person; however, the sign-in card shall be faxed to substitute signing-in in person.	names of all the attending members, and a screenshot is sufficient to replace sign-in. Therefore, the provision requiring the faxing of the sign-in card in the place of signing-in is deleted.
Article 13 The following motions shall be submitted for discussion by the Company's Board of Directors: I. The Company's business plans; II. The Company's annual financial report. III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the "Act"), and an assessment on the effectiveness of the internal control system; IV. Adoption or amendment, pursuant to Article 36-1 of the Act, of operating procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loaning of fund to others, and the making of endorsements or guarantees for others; V. Offering, issuance, or private placement of any equity-type securities; VI. The company has no managing directors, the election or discharge of the chairman of the board of directors. VII. Appointment or discharge of a financial, accounting, or internal audit officer; VIII. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster	Article 13 The following motions shall be submitted for discussion by the Company's Board of Directors: I. The Company's business plans; II. The Company's annual financial report. III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the "Act"), and an assessment on the effectiveness of the internal control system; IV. Adoption or amendment, pursuant to Article 36-1 of the Act, of operating procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loaning of fund to others, and the making of endorsements or guarantees for others; V. Offering, issuance, or private placement of any equity-type securities; VI. Appointment or discharge of a financial, accounting, or internal audit officer; VII. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next directors' meeting for retroactive recognition;	I. Pursuant to Paragraphs 1 and 2, Article 208 of the Company Act, the election of chairman is the authority of the board of directors or the managing directors. For procedures to discharge a chairman, without being specified in the Company Act, the Interpretation Letter of MOEA, Jing-Shang Zhi No. 09402105990 dated on August 2, 2005, unless the Articles of Incorporation specifies otherwise, it is deem reasonable to be resolve such an issue at a board meeting or meeting of the managing directors elected by the said chairman. II. By referring the above-mentioned provisions of the Company Act and the Interpretation Letter of MOEA, and based on the consideration that both discharging and electing a chairman is a material matter of the Company, Paragraph 6 is added, that the election or discharge of chairman shall be submitted to the board of directors for discussion in the event that no managing director is empowered by the board of directors. The current Paragraphs 6 to 8 are moved to Paragraphs 7 to 9. III. Paragraph 2 is amended to cope with the subparagraphs amended in

relief for a major natural disaster may be submitted to the next directors' meeting for retroactive recognition; IX. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or directors' meeting, or any such significant matter as may be prescribed by the competent authority. The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1% of net operating revenue or 5% of paid-in capital as stated in the CPA-attested financial report for the most recent year. The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current directors' meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempted from inclusion in the calculation. For foreign companies whose stock has no par value or a par value other than NTD10, the "5% of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5% of shareholders' equity.	VIII. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or directors' meeting, or any such significant matter as may be prescribed by the competent authority. The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1% of net operating revenue or 5% of paid-in capital as stated in the CPA-attested financial report for the most recent year. The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current directors' meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempted from inclusion in the calculation. For foreign companies whose stock has no par value or a par value other than NTD10, the "5% of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5% of shareholders' equity. If the Company has appointed independent directors, at least one independent director shall attend each meeting in person. In the case of a meeting	Paragraph 1; Paragraph 3 to 5 are not amended.

If the Company has appointed independent directors, at least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person. If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the directors' meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person. If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the directors' meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	

Ratification No. 1

Subject: The Company's 2022 business report and financial statements are submitted for ratification. Submitted by the Board of Directors

Description:

I. The Company’s 2022 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 10th meeting, 35th Term on March 8, 2023.

III. Enclosed please find the Company's 2022 Independent Auditor’s Report and Financial Statements (see Attachment).

Resolution:

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

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, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2022 and 2021 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 Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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, 2022. 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(a) of the consolidated financial statements. For the impairment assessment of intangible assets, please refer to 6(k) of the consolidated financial statements.

Key audit matters:

As described in Note 6(k) 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).

2. Inventory Valuation

   For details of accounting policies related to inventory valuation, please refer to Note 4(h) Inventory of the financial statements. For details of uncertainties in accounting estimates and assumptions related to inventory valuation, please refer to Note 5(b) of the consolidated financial statements. For descriptions on inventory valuation, please refer to Note 6(f) of the consolidated financial statements:

Key audit matter:

The price of material is subject to market volatility

The inventory amount of the Group is presented at the lower of costs and net realizable amount.As The price of material is subject to market volatility, the Group complies with the policy of Council of Agriculture of Executive Yuan in order to stabilize the domestic fertilizer price, which may, in turn, generate risks where the inventory costs are higher than the net realizable value. Therefore, inventory valuation is a matter that requires great attention for our audits on the consolidated financial statements.

How the matter was addressed in our audit:

Our audit procedures for the above key audit matters included assessing the Group's inventory allowance amount based on the nature of the inventories; performing audit to check the correctness of the inventory age report; reviewing the Group's past inventory allowances and assessing whether the estimation methods and assumptions are appropriate; observe the inventory count and check the inventory status to assess whether the inventory is expired or damaged; sampling the latest sales prices of inventory and assessing the reasonableness of net realizable value; assessing whether disclosure items for inventory allowances are appropriate.

Other Matter

We did not audit the consolidated financial statements as of and for the years ended December 31, 2022 and 2021 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, 2022 and 2021, the investments in the aforementioned investees are 11.67% (NT$9,420,043 thousand) and 13.56% (NT$10,758,806 thousand) of consolidated total assets. For the years ended December 31, 2022 and 2021, the investment income on the above said investees are 105.92% (NT$3,491,558 thousand) and 81.07% (NT$3,074,009 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, 2022 and 2021, 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

6. Obtain sufficient 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 8, 2023

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (notes 6(a) and (t))	$ 2,699,760	3	2,534,695	3
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (t))	80,002	-	60,009	-
1120	Current financial assets at fair value through other comprehensive income (notes 6(c) and (t))	95,464	-	127,059	-
1150	Notes receivable, net (notes 6(d), (q) and (t))	128,712	-	191,113	-
1170	Accounts receivable, net (notes 6(d), (q), (t) and 7)	903,530	1	1,743,590	2
1200	Other receivables, net (notes 6(e), (t) and 7)	1,351,023	2	11,322	-
1220	Current tax assets	-	-	6	-
130X	Inventories (note 6(f))	3,182,415	4	2,711,004	4
1410	Prepayments	869,237	1	207,548	-
1476	Other current financial assets (notes (a), (t) and 8)	478,069	1	233,305	-
1479	Other current assets, others	13,061	-	16,035	-
		9,801,273	12	7,835,686	9
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (t))	3,040,760	4	3,439,803	5
1550	Investments accounted for using equity method, net (notes 6(g) and (t))	9,485,123	12	10,823,828	14
1600	Property, plant and equipment (note 6(h))	13,488,766	17	14,167,791	18
1755	Right-of-use assets (note 6(i))	965,312	1	1,076,433	2
1760	Investment property, net (notes 6(j) and (l))	43,200,335	54	41,172,276	52
1780	Intangible assets (note 6(k))	121,065	-	124,595	-
1840	Deferred tax assets (note 6(n))	247,948	-	391,924	-
1930	Long-term notes and accounts receivable, net (notes 6(e) and (t))	65,564	-	84,125	-
1980	Other non-current financial assets (notes 6(a), (t) and 8)	305,038	-	188,373	-
1990	Other non-current assets, others (note 6(t))	31,290	-	38,365	-
		70,951,201	88	71,507,513	91
	Total assets	$ 80,752,474	100	79,343,199	100

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(t))	$ -	-	20,000	-
2130	Current contract liabilities (note 6(q))	177,008	-	144,260	-
2150	Notes payable (note 6(t))	1,119	-	1,151	-
2170	Accounts payable (notes 6(t) and 7)	889,747	1	2,316,725	3
2200	Other payables (note 6(t))	854,291	1	816,570	1
2230	Current tax liabilities	703,390	1	133,119	-
2280	Current lease liabilities (note 6(t))	38,858	-	38,627	-
2313	Unearned revenue (note 6(j))	440,518	1	389,525	1
2315	Other advance receipts	2,219	-	19,833	-
2399	Other current liabilities, others	63,677	-	47,750	-
		3,170,827	4	3,927,560	5
	Non-Current liabilities:				
2550	Non-current provisions	455,120	1	455,120	1
2570	Deferred tax liabilities (note 6(n))	6,968,607	9	7,449,720	9
2580	Non-current lease liabilities (note 6(t))	114,408	-	153,266	-
2630	Long-term deferred revenue (note 6(j))	16,496,708	20	14,257,410	18
2640	Net defined benefit liability, non-current	112,664	-	136,612	-
2645	Guarantee deposits received (note 6(t))	373,144	-	335,651	-
		24,520,651	30	22,787,779	28
	Total liabilities	27,691,478	34	26,715,339	33
	Equity attributable to owners of parent (note 6(o)):				
3100	Capital stock	9,800,000	12	9,800,000	12
3200	Capital surplus	2,245,156	3	2,244,652	3
	Retained earnings:				
3310	Legal reserve	3,982,301	5	3,673,475	5
3320	Special reserve	30,711,185	38	30,743,799	39
3350	Unappropriated retained earnings	3,610,220	5	3,950,024	5
3400	Other equity interest	2,712,134	3	2,215,910	3
	Total equity	53,060,996	66	52,627,860	67
	Total liabilities and equity	$ 80,752,474	100	79,343,199	100

(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, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(j), (l) and (q))**	$ 15,052,251	100	13,659,406	100
5000	**Operating costs (notes 6(f), (m), 7 and 12)**	(13,760,212)	(91)	(11,520,431)	(84)
5900	**Gross profit from operations**	1,292,039	9	2,138,975	16
	Operating expenses (notes 6(d), (m), (r) and 12):				
6100	Selling expenses	(667,786)	(5)	(545,061)	(4)
6200	Administrative expenses	(1,069,479)	(7)	(1,025,326)	(8)
6300	Research and development expenses	(42,570)	-	(58,695)	-
6450	Expected credit loss	(727)	-	(2,569)	-
	Total operating expenses	(1,780,562)	(12)	(1,631,651)	(12)
6900	**Net operating (loss) income**	(488,523)	(3)	507,324	4
	Non-operating income and expenses:				
7100	Interest income (note 6(s))	37,450	-	18,156	-
7010	Other income (note 6(s))	118,532	1	106,710	1
7020	Other gains and losses (notes 6(s) and 12)	141,543	1	104,591	1
7050	Finance costs (note 6(s))	(4,153)	-	(4,229)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	3,491,616	23	3,059,122	22
	Total non-operating income and expenses	3,784,988	25	3,284,350	24
	Profit from continuing operations before tax	3,296,465	22	3,791,674	28
7950	Less: Income tax expenses (note 6(n))	(626,816)	(4)	(757,058)	(6)
	Profit	2,669,649	18	3,034,616	22
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	21,436	-	(3,848)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(417,138)	(3)	775,903	6
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	(6,390)	-	(11,338)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(4,287)	-	770	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(406,379)	(3)	761,487	6
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(2,561)	-	(2,760)	-
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	1,145,798	8	(275,477)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(229,875)	(2)	55,283	-
	Components of other comprehensive income that will be reclassified to profit or loss	913,362	6	(222,954)	(2)
8300	**Other comprehensive income**	506,983	3	538,533	4
	Total comprehensive income	$ 3,176,632	21	3,573,149	26
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	$ 2,669,649	18	3,034,616	22
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 3,176,632	21	3,573,149	26
	Basic earnings per share (note 6(p))				
9750	**Basic earnings per share**	$	2.72		3.10
9850	**Diluted earnings per share**	$	2.72		3.09

(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, 2022 and 2021

(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, 2021	$ 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 due to sale land	-	-	-	(79,848)	79,848	-	-	-	-	-
Other changes in capital surplus:										
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
Profit	-	-	-	-	2,669,649	2,669,649	-	-	-	2,669,649
Other comprehensive income	-	-	-	-	10,759	10,759	913,362	(417,138)	496,224	506,983
Total comprehensive income	-	-	-	-	2,680,408	2,680,408	913,362	(417,138)	496,224	3,176,632
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	308,826	-	(308,826)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,744,000)	(2,744,000)	-	-	-	(2,744,000)
Reversal of special reserve due to sale land	-	-	-	(32,614)	32,614	-	-	-	-	-
Other changes in capital surplus	-	504	-	-	-	-	-	-	-	504
Balance at December 31, 2022	**$ 9,800,000**	**2,245,156**	**3,982,301**	**30,711,185**	**3,610,220**	**38,303,706**	**227,768**	**2,484,366**	**2,712,134**	**53,060,996**

(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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 3,296,465	3,791,674
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,166,995	1,158,798
Amortization expense	4,974	7,078
Expected credit gain for bad debt expense	727	2,569
Net gain on financial assets or liabilities at fair value through profit or loss	(1,317)	(2,365)
Interest expense	4,153	4,229
Interest income	(37,450)	(18,156)
Dividend income	(99,567)	(54,585)
Share of profit of associates and joint ventures accounted for using equity method	(3,491,615)	(3,059,122)
(Gain) loss on disposal of property, plant and equipment	(136)	11,205
Gain on disposal of investment properties	(62,997)	(216,741)
Impairment loss on non-financial assets	-	29,913
Unrealized foreign current exchange gain (loss)	(113,789)	17,969
Comprensation	17,708	18,556
Total adjustments to reconcile loss	(2,612,314)	(2,100,652)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	62,401	(72,228)
Decrease (increase) in accounts receivable	839,333	(1,060,199)
(Increase) decrease in other receivable	(531,961)	10,397
(Increase) decrease in inventories	(471,411)	111,350
(Increase) decrease in prepayments	(576,270)	126,747
Increase in other current assets	(1,037)	(7,291)
Total changes in operating assets	(678,945)	(891,224)
Increase in contract liabilities	32,748	55,840
(Decrease) increase in notes payable	(32)	80
(Decrease) increase in accounts payable	(1,426,978)	1,841,638
Increase in other payable	7,455	240,134
(Decrease) in receipts in advance	(17,614)	(312,983)
Increase (decrease) in other current liabilities	15,927	(7,754)
(Decrease) increase in net defined benefit liability	(2,512)	1,445
Increase (decrease) in deferred credits	2,290,291	(370,310)
Total changes in operating liabilities	899,285	1,448,090
Total changes in operating assets and liabilities	220,340	556,866
Total adjustments	(2,391,974)	(1,543,786)
Cash inflow generated from operations	904,491	2,247,888
Interest received	37,427	18,619
Dividends received	5,268,969	1,209,910
Interest paid	(4,153)	(4,229)
Income taxes paid	(627,838)	(360,565)
Net cash flows from operating activities	5,578,896	3,111,623

(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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	13,500	31,920
Proceeds from disposal of financial assets at amortised cost	-	27,663
Acquisition of financial assets designated at fair value through profit or loss	(1,680,000)	(3,660,000)
Proceeds from disposal of financial assets designated at fair value through profit or loss	1,661,324	4,902,369
Acquisition of property, plant and equipment	(327,189)	(519,631)
Proceeds from disposal of property, plant and equipment	1,371	2,065
Decrease in other receivables	11,170	23,751
Acquisition of intangible assets	(1,444)	(9,034)
Acquisition of investment properties	(2,181,971)	(3,266,337)
Proceeds from disposal of investment properties	97,041	301,000
(Increase) decrease in other financial assets	(361,429)	838,161
Decrease (increase) in other non-current assets	7,075	(10,965)
Net cash flows used in investing activities	(2,760,552)	(1,339,038)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(20,000)	-
Decrease in guarantee deposits received	37,493	10,526
Payment of lease liabilities	(38,627)	(36,791)
Cash dividends paid	(2,744,000)	(2,254,000)
Net cash flows used in financing activities	(2,765,134)	(2,280,265)
Effect of exchange rate changes on cash and cash equivalents	111,855	(19,652)
Net increase (decrease) in cash and cash equivalents	165,065	(527,332)
Cash and cash equivalents at beginning of period	2,534,695	3,062,027
Cash and cash equivalents at end of period	$ 2,699,760	2,534,695

KPMG
安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

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, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the year ended December 31, 2022 and 2021 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 Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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, 2022. 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(a) and 6(g) 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(g) 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).

2. Inventory Valuation

For details of accounting policies related to inventory valuation, please refer to Note 4(g) Inventory of the financial statements. For details of uncertainties in accounting estimates and assumptions related to inventory valuation, please refer to Note 5(b) of the financial statements. For descriptions on inventory valuation, please refer to Note 6(f) of the financial statements:

Key audit matter:

The price of material is subject to market volatility

The inventory amount of the Company is presented at the lower of costs and net realizable amount. As The price of material is subject to market volatility, the Company complies with the policy of Council of Agriculture of Executive Yuan in order to stabilize the domestic fertilizer price, which may, in turn, generate risks where the inventory costs are higher than the net realizable value. Therefore, inventory valuation is a matter that requires great attention for our audits on the financial statements.

How the matter was addressed in our audit:

Our audit procedures for the above key audit matters included assessing the Company's inventory allowance amount based on the nature of the inventories; performing audit to check the correctness of the inventory age report; reviewing the Company's past inventory allowances and assessing whether the estimation methods and assumptions are appropriate; observe the inventory count and check the inventory status to assess whether the inventory is expired or damaged; sampling the latest sales prices of inventory and assessing the reasonableness of net realizable value; assessing whether disclosure items for inventory allowances are appropriate.

Other Matter

We did not audit the financial statements as of and for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, the investments in the aforementioned investees are 11.71% and 13.64% ($9,420,043 thousand and $10,758,806 thousand), of the Corporation's total assets. For the years ended December 31, 2022 and 2021, the investment income on the above said investees are 107.20% and 81.84% ($3,491,558 thousand and $3,074,009 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the 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 8, 2023

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets:				
1100	Cash and cash equivalents (notes 6(a) and (s))	$ 2,303,245	3	1,917,886	3
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (s))	80,002	-	60,009	-
1120	Current financial assets at fair value through other comprehensive income (notes 6(c) and (s))	95,464	-	127,059	-
1150	Notes receivable, net (notes 6(d), (p), (s) and 7)	127,872	-	188,453	-
1170	Accounts receivable, net (notes 6(d), (p), (s) and 7)	893,651	1	1,736,204	2
1200	Other receivables, net (notes 6(e), (s) and 7)	1,350,201	2	10,672	-
130X	Inventories (note 6(f))	3,154,881	4	2,667,289	4
1410	Prepayments (note 7)	827,321	1	137,316	-
1476	Other current financial assets (notes 6(a) and (s))	792	-	68,203	-
1470	Other current assets	11,962	-	15,215	-
		8,845,391	11	6,928,306	9
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c)and (s))	3,040,760	4	3,439,803	5
1550	Investments accounted for using equity method, net (notes 6(g) and (s))	12,485,044	16	13,729,226	17
1600	Property, plant and equipment (note 6(h))	11,349,730	14	11,928,382	15
1755	Right-of-use assets (note 6(i))	922,286	1	1,022,183	2
1760	Investment property, net (notes 6(j)and (k))	43,193,489	54	41,164,306	52
1780	Intangible assets	10,150	-	13,680	-
1840	Deferred tax assets (note 6(m))	211,948	-	355,923	-
1930	Long-term notes and accounts receivable, net (notes 6(e)and (s))	65,564	-	84,125	-
1980	Other non-current financial assets (notes 6(a), (s)and 8)	272,572	-	159,425	-
1990	Other non-current assets, others (note 6(s))	24,100	-	31,436	-
		71,575,643	89	71,928,489	91
	Total assets	$ 80,421,034	100	78,856,795	100

	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities:				
2130	Current contract liabilities (note 6(p))	$ 173,110	-	139,704	-
2150	Notes payable (note 6(s))	1,119	-	1,090	-
2170	Accounts payable (notes 6(s)and 7)	896,264	1	2,281,757	3
2200	Other payables (notes 6(s)and 7)	829,842	1	708,388	1
2230	Current tax liabilities	679,127	1	111,968	-
2280	Current lease liabilities (note 6(s))	27,601	-	27,594	-
2313	Unearned revenue (note 6(j))	440,518	1	389,525	1
2310	Other advance receipts	2,218	-	19,820	-
2399	Other current liabilities, others	62,759	-	45,872	-
		3,112,558	4	3,725,718	5
	Non-Current liabilities:				
2550	Non-current provisions	223,648	-	223,648	-
2570	Deferred tax liabilities (note 6(m))	6,965,340	9	7,449,720	10
2580	Non-current lease liabilities (note 6(s))	81,267	-	108,868	-
2630	Long-term deferred revenue (note 6(j))	16,496,708	21	14,257,410	18
2640	Net defined benefit liability, non-current (note 6(l))	112,664	-	136,612	-
2645	Guarantee deposits received (note 6(s))	367,853	-	326,959	-
		24,247,480	30	22,503,217	28
	Total liabilities	27,360,038	34	26,228,935	33
	Equity (note 6(n)):				
3100	Capital stock	9,800,000	12	9,800,000	12
3200	Capital surplus	2,245,156	3	2,244,652	3
	Retained earnings:				
3310	Legal reserve	3,982,301	5	3,673,475	5
3320	Special reserve	30,711,185	38	30,743,799	39
3350	Unappropriated retained earnings	3,610,220	5	3,950,024	5
3400	Other equity interest	2,712,134	3	2,215,910	3
	Total equity	53,060,996	66	52,627,860	67
	Total liabilities and equity	$ 80,421,034	100	78,856,795	100

(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, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue** (notes 6(j), (k), (p) and 7)	$ 14,264,756	100	13,074,793	100
5000	**Operating costs** (notes 6(f), (l), 7 and 14)	(13,440,139)	(94)	(11,221,605)	(86)
5900	**Gross profit from operations**	824,617	6	1,853,188	14
	Operating expenses (notes 6(d), (l), (q) and 14) **:**				
6100	Selling expenses	(400,181)	(3)	(396,606)	(3)
6200	Administrative expenses	(1,050,805)	(8)	(1,013,486)	(8)
6300	Research and development expenses	(42,626)	-	(58,695)	-
6450	Expected credit loss	-	-	(2,569)	-
		(1,493,612)	(11)	(1,471,356)	(11)
6900	**Net Operating (loss) income**	(668,995)	(5)	381,832	3
	Non-operating income and expenses:				
7100	Interest income (note 6(r))	31,155	-	14,062	-
7010	Other income (notes 6(c) and (r))	112,021	1	102,699	1
7020	Other gains and losses (notes 6(r) and 14)	107,303	1	106,695	1
7050	Finance costs (note 6(r))	(3,031)	-	(3,030)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	3,678,627	26	3,153,849	24
	Total non-operating income and expenses	3,926,075	28	3,374,275	26
	Profit from continuing operations before tax	3,257,080	23	3,756,107	29
7950	Less: Income tax expenses (note 6(m))	(587,431)	(4)	(721,491)	(6)
	Profit	2,669,649	19	3,034,616	23
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	21,436	-	(3,848)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(417,138)	(3)	775,903	6
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	(6,390)	-	(11,338)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	4,287	-	(770)	-
		(406,379)	(3)	761,487	6
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	1,143,237	8	(278,237)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(229,875)	(2)	55,283	-
	Components of other comprehensive income that will be reclassified to profit or loss	913,362	6	(222,954)	(2)
8300	**Other comprehensive income**	506,983	3	538,533	4
8500	**Total comprehensive income**	**$ 3,176,632**	**22**	**3,573,149**	**27**
	Basic earnings per share(note 6(o))				
9750	**Basic earnings per share**	**$**	**2.72**		**3.10**
9850	**Diluted earnings per share**	**$**	**2.72**		**3.09**

(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, 2022 and 2021

(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, 2021	$ 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 due to sale land	-	-	-	(79,848)	79,848	-	-	-	-	-
Other changes in capital surplus:										
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
Profit	-	-	-	-	2,669,649	2,669,649	-	-	-	2,669,649
Other comprehensive income	-	-	-	-	10,759	10,759	913,362	(417,138)	496,224	506,983
Total comprehensive income	-	-	-	-	2,680,408	2,680,408	913,362	(417,138)	496,224	3,176,632
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	308,826	-	(308,826)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,744,000)	(2,744,000)	-	-	-	(2,744,000)
Reversal of special reserve due to sale land	-	-	-	(32,614)	32,614	-	-	-	-	-
Other changes in capital surplus	-	504	-	-	-	-	-	-	-	504
Balance at December 31, 2022	**$ 9,800,000**	**2,245,156**	**3,982,301**	**30,711,185**	**3,610,220**	**38,303,706**	**227,768**	**2,484,366**	**2,712,134**	**53,060,996**

(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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 3,257,080	3,756,107
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,029,313	1,029,078
Amortization expense	4,974	7,078
Expected credit loss for bad debt expense	-	2,569
Net gain on financial assets or liabilities at fair value through profit or loss	(1,317)	(2,365)
Interest expense	3,031	3,030
Interest income	(31,155)	(14,062)
Dividend income	(99,567)	(54,585)
Share of profit of subsidiaries,associates and joint ventures accounted for using equity method	(3,678,627)	(3,153,849)
(Gain) loss on disposal of property, plant and equipment	(103)	11,205
Gain on disposal of investment properties	(62,997)	(216,741)
Impairment loss on non-financial assets	-	29,913
Unrealized foreign currency exchange loss	-	844
Compensation	17,708	18,556
Total adjustments to reconcile loss	(2,818,740)	(2,339,329)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	60,581	(70,910)
Decrease (increase) in accounts receivable	842,553	(1,065,117)
(Increase) decrease in other receivable	(531,789)	9,773
(Increase) decrease in inventories	(487,592)	106,721
(Increase) decrease in prepayments	(604,586)	117,898
Increase in other current assets	(667)	(7,962)
Total changes in operating assets	(721,500)	(909,597)
Changes in operating liabilities:		
Increase in contract liabilities	33,406	56,255
Increase in notes payable	29	30
(Decrease) increase in accounts payable	(1,385,493)	1,818,469
Increase in other payable	6,748	207,073
Decrease in receipts in advance	(17,602)	(312,917)
Increase (decrease) in other current liabilities	16,887	(6,318)
(Decrease) increase in net defined benefit liability	(2,512)	1,445
Increase (decrease) in deferred credits	2,290,291	(370,310)
Total changes in operating liabilities	941,754	1,393,727
Total changes in operating assets and liabilities	220,254	484,130
Total adjustments	(2,598,486)	(1,855,199)
Cash inflow generated from operations	658,594	1,900,908
Interest received	31,132	14,525
Dividends received	5,358,897	1,236,064
Interest paid	(3,031)	(3,030)
Income taxes paid	(594,839)	(350,023)
Net cash flows from operating activities	5,450,753	2,798,444

(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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	13,500	31,920
Proceeds from disposal of financial assets at amortised cost	-	27,663
Acquisition of financial assets designated at fair value through profit or loss	(1,680,000)	(3,660,000)
Proceeds from disposal of financial assets designated at fair value through profit or loss	1,661,324	4,902,369
Acquisition of property, plant and equipment	(217,285)	(340,967)
Proceeds from disposal of property, plant and equipment	1,371	2,065
Decrease (increase) in refundable deposits	7,336	(11,416)
Decrease in other receivables	11,170	23,751
Acquisition of intangible assets	(1,444)	(9,034)
Acquisition of investment properties	(2,181,971)	(3,265,694)
Proceeds from disposal of investment properties	97,041	301,000
(Increase) decrease in other financial assets	(45,736)	831,560
Net cash flows used in investing activities	(2,334,694)	(1,166,783)
Cash flows from (used in) financing activities:		
Increase in guarantee deposits received	40,894	46,798
Payment of lease liabilities	(27,594)	(27,795)
Cash dividends paid	(2,744,000)	(2,254,000)
Net cash flows used in financing activities	(2,730,700)	(2,234,997)
Net increase (decrease) in cash and cash equivalents	385,359	(603,336)
Cash and cash equivalents at beginning of period	1,917,886	2,521,222
Cash and cash equivalents at end of period	$ 2,303,245	1,917,886

Ratification No. 2

Subject: The Company’s 2022 earnings distribution is submitted for ratification.

Submitted by the Board of Directors

Description:

I. The Company’s financial statements from January 1, 2022 to December 31, 2022 have been audited by CPAs, and the net income after tax of the year is NTD 2,669,648,687.

II. The 2022 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 2022, NTD2,669,648,687, plus the re-measurement of defined benefit plan, NTD10,759,623 and the reversal the special reserves provide by adopting TIFRS for the first time, NTD32,613,621, 10% of such balance is appropriated as legal reserve, for NTD271,302,193.

(II) Bonus distribution:
On the basis of the 2022 net profit after tax of the year, NTD2,669,648,687, plus the undistributed earnings after adjustment, NTD940,571,438, and less the legal reserve for NTD271,302,193 and the undistributed earnings at the end of the period for NTD888,917,932, the balance, NTD2,450,000,000, will be distributed as the shareholders’ bonus in cash for NTD 2.5 per share.

III. The proposal has been reviewed by the Audit Committee in the 10th meeting, 2nd Term on March 8, 2023, and approved by the Board of Directors in the 10th meeting, 35th Term on March 8, 2023. 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 (2021) 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 2022 earnings distribution table (see later)

Resolution:

Attachment

TAIWAN FERTILIZER CO., LTD.
EARNINGS DISTRIBUTION TABLE
2022

Unit: NTD $

Items		Amount	Remarks
I. Intended Distribution:			
Undistributed earnings at the beginning of the period		897,198,194	
Reversal recognized a special reserves by TIFRS for the first time		32,613,621	
Remeasurement of defined benefit plan accounted as retained earnings		10,759,623	
Undistributed earnings after adjustment		940,571,438	
Net profit after tax of the year		2,669,648,687	
Appropriation for legal reserve (10%)		-271,302,193	Note 1
Distributable earnings of the period		3,338,917,932	
II. Distribution Items:			
Dividend to shareholders- cash (NTD 2.5 per share X 980,000,000 shares)		-2,450,000,000	Note 2
Undistributed earnings at the end of the period		888,917,932	

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 2021 Earnings Distribution Table approved by the 2022 AGM.

(2) The earnings of 2022 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 legal reserve in 2022, 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 the case the Company has surplus profit after settling the annual accounts, when allocating its surplus profits after having paid all taxes and dues, it 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.

Discussion No. 1

Subject: Proposal to release Independent Director, Lin, Su-Ming, from the non-compete restriction. Please vote. Submitted by the Board of Directors

Description:

I. Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

II. Contents of the proposal to release Independent Director, Lin, Su-Ming, from the non-compete restriction are as follows:

Independent Director' Name	Lin, Su-Ming		
Company concurrently serves in	Chunghwa Telecom Co., Ltd.	AP Biosciences Inc.	Sunny Friend Environmental Technology Co., Ltd.
Position concurrently serves as	Independent Director	Independent Director	Independent Director
Major business	Parking area Operators Housing and Building Development and Rental Specific Area Development Data Processing Services	Wholesale of Chemical Feedstock Retail Sale of Chemical Feedstock International Trade.	International Trade. Waste Disposing Waste Treatment

III. The proposal has been approved in the 11th Meeting, Board of Directors of 35th Term, and submitted to the AGM for vote.

Resolution:

Election

Subject: An independent director is to be elected additionally for the 35th board of directors, please elect. Submitted by the Board of Directors

Description:

I. Pursuant to Paragraph 2, Article 4 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, "where the chairman of the board of directors and the president or person of an equivalent post of a TWSE listed company are the same person, spouses or relations within the first degree of kinship, not less than four independent directors shall be established before 31 December 2023......(omitted below);" therefore, the Company will elect one additional independent director in this shareholder's meeting as required above.

II. Pursuant to Article 16 and Article 16-1 of the Articles of Incorporation, the Company establishes nine to eleven directors, including three independent directors at least. The election of independent directors and non-independent directors adopts the candidate nomination system. Shareholders shall elect from the candidate list, both for directors and independent directors, while the seats of elected are counted separately.

III. In this regular shareholders' meeting, additional independent director is intended to be elected, and the term of office is from June 28, 2023 to July 27, 2024.

IV. The Company adopts the candidate nomination system. The candidate list has been approved in the 10th meeting of the Board of Directors of 35th Term, specified as following:

Name of Candidate		Major Educational and Professional Background	Number of Share Held
Independent Director	Su, Yu-Chang	Master, Institute of Land Economics, National Chengchi University Bachelor of Engineering, Department of Urban Planning, Feng Chia University Chief, Department of Land Administration, Keelung City Government Chief of Secretariat, Chief of Land Administration Department and Chief of Land Administration Office, Yilan County Government.	0

Resolution:

Appendix

1. Rules of Procedure for Shareholders Meetings of Taiwan Fertilizer Co., Ltd.
2. Articles of Incorporation of Taiwan Fertilizer Co., Ltd.
3. Rules of Procedure for Board of Directors Meetings, Taiwan Fertilizer Co., Ltd.
4. The Procedures for Electing Directors and Independent Directors of Taiwan Fertilizer Co., Ltd.
5. Status of Share Ownership by Directors (Independent Directors)
6. The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

Appendix 1

Rules of Procedure for Shareholders Meetings of Taiwan Fertilizer Co., Ltd.

Amended at General Shareholders' Meeting on June 22, 2020
Amended at General Shareholders' Meeting on July 28, 2021

Article 1 The parliamentary rules for the Company's shareholders meetings, except as otherwise provided by the Company Law, Articles of Incorporation and other related laws, shall be as provided herein.

Article 2 The shareholders referred to herein shall mean the shareholders per se and their proxies.

Article 3 The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of competent personnel assigned to handle the registrations.

Shareholders or their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The Company shall furnish present shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or independent directors, pre-printed ballots shall also be furnished.

Article 4 Attendance and votes at shareholders' meetings shall be calculated based on numbers of shares.

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

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

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

Article 5 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 6 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the Chairman shall appoint one of the directors to act as chairperson. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as the chairperson.

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

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convener shall chair the meeting. When there are two or more such conveners, they shall mutually select a chairperson from among themselves.

Article 7 The Company may appoint its attorneys-at-law, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm badges.

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

The recorded materials referred to in the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder initiates a legal action pursuant to Article 189 of the Company Law, the materials shall be retained until the conclusion of the litigation.

Article 9 The chair shall call the meeting to order at the appointed meeting time, while announcing the related information of shares without voting rights and attending shares. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

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

Article 10 The board shall set the agenda for the meetings which it convenes.Relevant motions (including extraordinary motions and amendments to the original motions) shall be decided on a case-by-case basis.The meeting shall be carried out based on the agenda, and shall not be changed without the resolution of the shareholders.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extemporary motions), except by a resolution of the shareholders' meeting.

Article 11 Unless the chair violates the rules of procedures, and the other members of the board promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, and the agreement of a majority of the votes represented by the attending shareholders continues the meeting, a chair shall not be re-elected to hold a meeting at the original or another new venue.

Article 12 When a meeting is in progress, the chairperson may announce a break based on time considerations.

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

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

When a present shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder who gives the speech. The chairperson shall stop any violation.

Article 13 Except with the consent of the chairperson, a shareholder may not speak more than twice on the same motion, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules referred to in the preceding paragraph or exceeds the scope of the motion, the chairperson may terminate the speech.

Article 14 When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting.

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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

Article 15 After a present shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 16 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Law.

Shareholders may exercise their voting power in correspondence or by electronic transmission in shareholder meetings, and the exercise method shall be specified in the notice of shareholders meetings. Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, this is also considered to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted beyond said-noted time limit, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares; otherwise, the voting rights in excess of that percentage shall not be included in the calculation.

Article 17 The chairperson must allow for sufficient time to explain and discuss the various motions, amendments or special motions proposed during the meeting. The chairperson may announce discontinuance of further discussions if the issue in question is considered to have been sufficiently discussed to proceed with the voting and arrange sufficient voting time.

Matters pertaining to election or discharge of directors and independent directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185, Article 26-1 and 43-6 of the Securities and Exchanges Act, and Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers hereof, shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions.

The notification for the convening of shareholder meeting has announced the re-election of directors and independent directors and the inauguration date. After the re-election at the shareholder meeting, the inauguration date shall not be changed by extraordinary motion or other means in the same meeting.

Shareholders may proposal motions for discussion at shareholders general meetings, which will be processed in accordance with Article 172-1 of the Company Act.

Article 18 Unless otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. During the voting process, the chair or the designated personnel announce the total number of the eligible voting rights of the attending shareholders case by case and then carry out the voting. On the same day of the meeting, the number of agree, disagree and abstain are entered into the Market Observation Post System.

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

The scrutineers and counting personnel for the voting on a motion shall be appointed by the chairperson, provided that the scrutineers shall be shareholders of the Company.

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

The ballots which meet any of the following circumstances shall be held invalid, and the votes represented by the ballots shall not be included into the calculation:

1. Failure to use the ballot form prepared by the Company.
2. Failure to cast the ballot into the ballot box.
3. The ballot remains blank or fails to express option toward the motion.
4. The ballot contains other irrelevant text in addition to the particulars to be identified.
5. The ballot is illegible or tampered;.
6. The proxy uses the ballot in violation of the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

The voted issues shall be made into a resolution record signed or stamped by the chair and then distributed to each shareholder within twenty days after the meeting. The production and the distribution of the resolution record can be made electronically.

The distribution of the aforementioned resolutions can be entered into the Market Observation Post System to be publicly announced.

The resolution proceedings shall correctly record the year, month, day, venue, name of the chair, voting method, the essentials of the proceedings and the voting results (including the statistical weights). If there is an election of directors and independent directors, the votes received by each nominee shall also be disclosed. These records are to be kept permanently during the Company's existence.

Article 19 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted beyond said-noted time limit, votes cast at the meeting by the proxy shall prevail.

Article 20 Election of directors and independent directors, shall comply with the Company Act, related laws and regulations, and the Company's procedures of elections. The result shall be announced onsite, including the names of the elected directors and independent directors, and their votes, as well as the names and votes of these directors and independent directors not elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineer and kept in proper custody for at least 1 year. If, however, a shareholder initiates a legal action pursuant to Article 189 of the Company Law, the ballots shall be retained until the conclusion of the litigation.

Article 21 The chairperson may direct the proctors (security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or arm badge bearing the word "Proctor".

At the place of a shareholders meeting equipped with microphone, if a shareholder attempts to speak through any device other than the equipment installed by the Company, the chairperson may prevent the shareholder from so doing.

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

Any persons attending the shareholders’ meeting are prohibited from bringing any objects sufficient to endanger another person's life, body, freedom and safety of property with them.

Article 22 If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use before all of the motions (including extemporary motions) on the meeting agenda have been addressed, the shareholders’ meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders’ meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Law.

Article 23 The Rules shall be enforced upon approval of the shareholders’ meeting. The same shall apply where the Rules are amended.

Appendix 2

Articles of Incorporation of Taiwan Fertilizer Co., Ltd.

Amended by the General Meetings on June 22nd, 2020
Amended by the General Meetings on June 29th, 2022

Chapter I. General Provisions

Article 1 The Company is incorporated as a company limited by shares defined in the Company Act, and the name is Taiwan Fertilizer Co., Ltd.

Article 2 The Company operates the following businesses:

1. C801010 Basic Chemical Industrial.
2. C801020 Petrochemical Materials Manufacturing.
3. C801110 Fertilizer Manufacturing.
4. C801990 Other Chemical Materials Manufacturing.
5. C802100 Cosmetics Manufacturing.
6. C802170 Toxic and Concerned Chemical Substances Manufacturing.
7. C802990 Other Chemical Products Manufacturing.
8. CC01060 Wired Communication Mechanical Equipment Manufacturing.
9. CC01080 Electronics Components Manufacturing.
10. CE01030 Optical Instruments Manufacturing.
11. F102180 Wholesale of Alcohol.
12. F107050 Wholesale of Fertilizer.
13. F107060 Wholesale of Virulence Chemical Substance.
14. F107080 Wholesale of Environmental Agents.
15. F107200 Wholesale of Chemical Feedstock.
16. F107990 Wholesale of Other Chemical Products.
17. F108040 Wholesale of Cosmetics.
18. F113070 Wholesale of Telecommunication Apparatus.
19. F119010 Wholesale of Electronic Materials.
20. F203030 Retail Sale of Alcohol.
21. F207050 Retail Sale of Fertilizer.
22. F207060 Retail Sale of Virulence Chemical Substance.
23. F207080 Retail Sale of Environmental Agents.
24. F207200 Retail Sale of Chemical Feedstock.
25. F207990 Retail Sale of Other Chemical Products.
26. F208040 Retail Sale of Cosmetics.
27. F212011 Gas Stations.
28. F212990 Retail Sale of Other Petrochemical Fuel Products.
29. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
30. F301010 Department Stores.

31.F301020 Supermarkets.
32.F401010 International Trade.
33.F501060 Restaurants.
34.G202010 Parking area Operators.
35.G406061 Ship Stevedore Operator.
36.G801010 Warehousing.
37.H701010 Housing and Building Development and Rental.
38.H701020 Industrial Factory Development and Rental.
39.H701040 Specific Area Development.
40.H701050 Investment, Development and Construction in Public Construction.
41.H703010 Plant Leasing.
42.H703020 Warehouse Leasing.
43.H703030 Office Building Leasing.
44.I301010 Information Software Services.
45.I301020 Data Processing Services.
46.I301030 Electronic Information Supply Services.
47.I401010 General Advertisement Service.
48.J101030 Waste Disposing.
49.J101040 Waste Treatment.
50.J101060 Wastewater Treatment.
51.JA01990 Other Automobile Services.
52.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company's total amount of reinvestments shall not exceed the net worth of the financial statements audited or reviewed by a certified public accountant; is not restricted by the limitation that the reinvestment shall not exceed 40% of the amount of its own paid-up capital in Article 13 of the Company Act; the total amount of the reinvestment in the businesses not the Company's major business, shall not exceed 100% of the paid-in capital.

Article 4 The Company locates its headquarter in Taipei City, and may set up branches at proper locations internationally and domestically if the business requires. Any setup, change, or withdrawal is subject to the Board's resolution.

Article 5 The Company makes public announcements at the prominent position on the daily newspaper issued at where the headquarter is. If the securities competent authorities specify otherwise, this does not apply.

Chapter II. Shares

Article 6 The total authorized capital of the Company is NT$9.8 billion, and divided as 980 million shares, with par value NT$10 per share, and fully issued.

Article 7 The issued Company's shares are exempted from printing hardcopies;

however, the registration shall be made to the collective securities custody enterprises.

Article 8 The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Chapter III. Shareholders' Meeting

Article 9 Shareholders' meeting shall include regular and special meetings. The regular meeting of shareholders shall be held at least once every year, convened within six months after the close of each fiscal year pursuant to laws. A special meeting of shareholders, unless the Company Act specifies otherwise, may be convened by the Board or the independent directors pursuant to laws when required; shareholder(s) who has (have) continuously held 3% or more of the total number of outstanding shares for a period of one year or a longer time may, by filing a written proposal setting forth therein the subjects for discussion and the reasons, request the Board to call a special meeting of shareholders.

Article 10 A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. For special meetings of shareholders, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. To the shareholders possessing shares fewer than 1,000 registered shares, the notice to convene a regular meeting of shareholders may be given to each shareholder no later than 30 days prior to the scheduled meeting date, and 15 days prior to the scheduled special meeting date.

Article 11 Where any shareholder is unable to attend any shareholders' meeting due to any cause, he/she may appoint a proxy to attend, by presenting the proxy form provided by the Company that specifies the authorization scope, with the shareholders' signature or seal.

Pursuant to the competent authorities' regulations, shareholders may exercise their voting power through electronic transmission; the shareholders exercising the voting power by way of electronic transmission are deemed to attend the meeting in person; the related matters shall comply with laws and regulations.

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.

Article 12 Unless otherwise provided for in the Company Act or other related laws and regulations, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 13 For a shareholders' meeting convened by the board of directors, the chair of the meeting shall be the Chairman; 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 be elected by and from among themselves.

Where a director is acting as the chair, the director shall have taken office for six months or more, and understand the financial and business status of the Company. The same applies to the chair, who is a representative of a juristic person director.

Where for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided. However, if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 14 Each share held by each shareholder represents one vote.

Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.

The distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be affected by means of the announcement.

Chapter IV. Directors and the Audit Committee

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 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 16-2 The Company has established the Audit Committee pursuant to the Securities and Exchange Act. The Audit Committee is composed of the entire number of independent directors, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The duties, organization and charter, power exercise, and other matters for compliance shall comply with the Competent Authority's related regulations.

Article 16-3 The Company has established the Remuneration Committee pursuant to Article 14-6 of the Securities and Exchange Act. The Remuneration Committee and its member exercise their power pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.

Article 17 The directors organize the Board of Directors, and the Chairman is elected among the directors. The Chairman represents the Company externally, and act as the chair of the shareholders' meetings and board meetings. He/she shall comprehensively manage the Company's affairs by following the guidelines determined by the Board.

Article 18 The powers of the Board of Directors are as follows:

I. Review and determine the business and financial guidelines.
II. Review and determine the business plans and oversees the implementation.
III. Review and determine the budgets and settlements.
IV. Formulate the increase/decrease of the capital.
V. Review and determine the issuance of corporate bonds.
VI. Formulate the earning distributions and loss covering.
VII. Obtain, transfer, grant the external material contracts, key technological know-how and patents, as well as approve, amend, and terminate the technological partnership contracts.
VIII. Formulate the amendments to the Articles of Incorporation.
IX. Review and determine the organizational regulations, procedures, and key charters of the Board and the Company.
X. Discuss and determine the setup, change, and withdrawal of branches.
XI. Appoint and discharge the general manager and deputy general manager.
XII. Appoint and discharge the independent accountants.
XIII. Discuss and determine the limits of endorsements, guarantees, and acceptances under the name of the Company.
XIV. Approve the material transactions with related parties (including affiliated companies)

XV. Convene shareholders' meetings.

XVI. Other powers granted pursuant to laws, regulations, and the resolutions of shareholders' meetings.

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 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 20 Except as otherwise stated in the Company Act, the Company's Articles of Incorporation or related laws for a higher quorum, a resolution on a matter at a board meeting shall be made by the majority of attending directors in a meeting attended by the majority of all directors. The meeting minutes shall be affixed with the signature or seal of the chair, and Article 15 shall apply, mutatis mutandis.

Article 21 The remuneration to the Chairman is calculated as 1.25 times of the remuneration paid to the General Manager. The remunerations to other directors and independent directors shall not exceed the highest salary rank of the Company's payroll.

Chapter V. Managerial Personnel

Article 22 The Company appoints one general manager who follows the guidelines determined by the Board and orders of the Chairman, to handle all the Company's businesses, and command and supervise the subordinating employees. Two to four deputy general managers are appointed to assist the General Manager.

The appointment and discharge and the remuneration of the managerial personnel in the preceding paragraph shall comply with the Company Act.

Chapter VI. Accounting

Article 23 The Company's fiscal year is from January 1st to December 31st every year. The general final accounts shall be made at the end of a year.

Article 24 After a fiscal year ends, the Board shall prepare the books, forms/statements for accountants to audit and certify, send to the Audit Committee for further audit 30 days prior to the regular shareholders' meeting, and submit to the shareholders' meeting for ratification.

I. Business reports
II. Financial statements.
III. Proposal to distribute earnings or offset losses.

Article 25 Where the Company has profits in a year, 2.4% of the profits of the year shall be contributed as the remunerations to employees; and no higher than 1.6% shall be contributed as the remunerations to directors. However, the amount to offset the Company's accumulated losses shall be set aside in advance.

In the preceding paragraph, the employees and directors' remuneration shall be resolved by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, and report to the shareholders' meeting.

In case where the Company has surplus profit after settling the annual accounts, when allocating its surplus profits after having paid all taxes and dues, shall first set aside 10% 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. The board of Directors will propose the earnings distribution to the AGM to distribute bonuses to shareholders.

The Company's shareholder dividends should consider the characteristics of the diversified business, and the changes in the economy, while taking the future capital needs during the life cycle of each product or service, and business development and shareholder rights into account. Unless there are major investment plans, material changes in financial conditions, major operational changes and capacity expansion or other major capital expenditures, the shareholders' cash dividend distribution ratio shall not be lower than 10% of the total dividends for the year, and shall be reported to shareholders' meeting for approval and enforcement.

Chapter VII. Bylaw

Article 26 The Company may, pursuant to the Company's "Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees" based on the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," to conduct external guarantees when the business requires.

Article 27 Any matter not specified in the Articles shall comply with the Company Act and other related laws and regulations.

Article 28 The charters and other operating rules are established separately.

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 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, 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.

Appendix 3

Rules of Procedure for Board of Directors Meetings, Taiwan Fertilizer Co., Ltd.

Amendments approved by the Board of Directors on March 22th, 2022
Amendments approved by the Board of Directors on November 9th, 2022

Article 1 To strengthen the board governance system for proper functions, ensure the legitimacy of agendas and resolutions, and enhance the performance of corporate governance, the Regulations are formulated by the Company pursuant to the Company Act, the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the Company's Articles of Incorporation and related laws and regulations for compliance with.

Article 2 The Board of Directors shall exercise the authorities pursuant to the Company Act, the Company's Articles of Incorporation, related laws and regulations, and resolutions of the shareholders' meetings.

Article 3 The general meetings of the Board shall be convened monthly as a principle, and at least every quarter. In emergency circumstances, however, a meeting may be called at any time. Where the Chairperson of the Board calls a meeting of the Board of Directors, 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 be elected by and from among themselves.

Where a majority of directors calls a meeting of the board of directors on their own initiative, the directors shall choose one person by and from among themselves to chair the meeting.

After directors of each term are re-elected, the director who received votes representing the largest portion of voting rights shall call the meeting within 15 days from the election. Provided, where the directors are elected before the expiry of the previous term of directors, and are resolved to be discharged at the expiry of the term, such meetings shall be called within 15 days from the expiry of the previous term of directors.

Article 4 All directors should be notified of any general director's meeting at least 7 days prior to the meeting. The time, venue and reasons for calling the meeting shall be identified in the meeting notice to be sent together with the information related to the meeting, provided that if any extempore or urgent motion shall be included in the agenda, the information about the motion may be distributed immediately. However, in the occurrence of any circumstance specified in each subparagraph of Paragraph 1, Article 13 of the Regulations, the motion shall not be included.

A special meeting may be called from time to time. However, for any matter specified in Paragraph 1, Article 13 of the Regulations, such matter shall be listed in the reasons for calling the meeting and must not be proposed as an extempore motion.

The notice set forth in the preceding two paragraphs may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

Article 5 A board of directors meeting shall be held at the location and during the business hours of the Company. Provided, if the business requires, a meeting may be held at a place and time convenient to all directors and suitable for holding such a meeting.

Article 6 When a directors' meeting is held, an attendance book shall be made ready for signature by directors attending the meeting and other attendants. All directors shall attend the meeting in person. If attendance in person is not possible, they may appoint another director to exercise the right on behalf of them as their proxy. A director appointing another director to attend the meeting on his behalf shall issue a written proxy stating the scope of authorization with respect to the reasons for meeting.

The proxy shall identify the proxy's name and be signed or sealed by the appointer. The proxy may act on behalf of one person only.

Article 7 Where a board meeting is held in a manner of video conference, any director who attends the meeting in a manner of video conference is deemed attending in person.

Article 8 When holding a directors' meeting, the Company's related department managers shall attend the meeting as nonvoting participants and report the Company's overview of business and respond to directors' questions. The Company may also invite certificated public accounts, attorneys-at-law, or other professionals to attend the meeting as nonvoting participants to provide expert's opinions and other related information for the Board of Directors' reference to help the meeting procedure.

Article 9 The Company shall record on audio or videotape the entire proceedings of a directors' meeting, and preserve the recordings for at least five years; the preservation may be made in an electronic method. If, before the end of the preservation period, any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded. For the meetings called in a manner of video conference, the audio or video recordings of such meetings are deemed an integral part of the meeting minutes, and shall be permanently preserved.

Article 10 The agenda for the Company's regular board meetings shall include at least the follows:

I. Reports
   (I) Minutes of the last meeting and actions arising.
   (II) Reporting on important financial and business matters.
   (III) Reporting on internal audit activities.
   (IV) Other important matters to be reported.

II. Discussions:

(I) Items discussed and continued from the last meeting.
(II) Items for discussion at this meeting.
III. Extemporary Motions.

Article 11 When the time of a meeting has arrived and a majority of all directors are present, the chair shall call the meeting immediately. However, if one-half of all board directors are not present, the meeting chair may announce a postponement of the meeting time, but the total postponed time may not exceed one hour. If the quorum is not achieved till the deadline, the chair shall announce the adjournment, and no tentative resolution shall be made to any proposal. Once a meeting is announced adjourned by the chair, the meeting shall be re-called for another convention pursuant to the Regulations.

Article 12 A board meeting shall be conducted in accordance with the scheduled agenda, provided that with the approval of a majority of directors present at the meeting, changes may be made. Before the scheduled agenda (extemporary motions included) concludes, the meeting chair may not declare the meeting closed without a resolution. During a meeting, the chair may call for rest or negotiation for a period of time.

The agenda working group designated by the Board is the agenda team of the Board’s Office. The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.

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

Article 13 The following motions shall be submitted for discussion by the Company's Board of Directors:

I. The Company's business plans;
II. The Company's annual financial report.
III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the “Act”), and an assessment on the effectiveness of the internal control system;
IV. Adoption or amendment, pursuant to Article 36-1 of the Act, of operating procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loaning of fund to others, and the making of endorsements or guarantees for others;
V. Offering, issuance, or private placement of any equity-type securities;
VI. The company has no managing directors, the election or discharge of the chairman of the board of directors.

VII. Appointment or discharge of a financial, accounting, or internal audit officer;

VIII. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next directors' meeting for retroactive recognition;

IX. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or directors' meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1% of net operating revenue or 5% of paid-in capital as stated in the CPA-attested financial report for the most recent year.

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

For foreign companies whose stock has no par value or a par value other than NTD10, the "5% of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5% of shareholders' equity.

If the Company has appointed independent directors, at least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person. If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the directors' meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 14 Any speech of any director shall have the chair's consent, and the speech may not include any personal attack, go beyond the proposal, or be repetitive to the same proposal that disturbs other directors' speeches. For any irrational behavior or disruption to the proceeding, the chair may stop such occurrence.

Article 15 When the chair is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may bring the matter to vote. Each seat of director possesses one vote. When a proposal comes

to a vote, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved.
If any objection upon the chair's consultation, the vote shall be brought. The chair may select among raising hands, calling name, or vote casting as the voting method; provided, if any objection is raised from the attendants, the majority is sought for the determination.
Any Board's resolution, if breaching related laws and regulations, and thus harm the Company, the directors have expressed objections that may be proved by records or written declaration, will not be held liable.

Article 16 Except as otherwise stated in the Company Act, the Company's Articles of Incorporation or related laws for a higher quorum, a resolution on a matter at a board meeting shall be made by the majority of attending directors in a meeting attended by the majority of all directors.
Where amendments or substitutions are presented for the same proposal, the chair decides the order of voting with the original proposal. Provided, when any proposal among them is approved, other proposals are deemed vetoed, and no more voting is required.
The voting result shall be reported immediately on site and recorded.

Article 17 If any director is an interested party with respect to any agenda item, and the relationship is likely to prejudice the interests of the Company, or any director believes he/she shall recuse, or is resolved by the Board to be recused, shall enter recusal during discussion voluntarily and may not act as another director's proxy to exercise voting rights on that matter. The vote from any director who votes by breaching the recusal requirements, is deemed invalid.
Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relationship with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

Article 18 Minutes shall be prepared for the discussions at board of directors meetings. The meeting minutes shall record the following:

I. Session (or year), time, and place of meeting.
II. Name of the meeting chair.
III. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
IV. Names and titles of those attending the meeting as nonvoting participants.
V. Name of minutes taker.
VI. Matters reported on.
VII. Discussion: The method of resolution and the result for each motion; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director

is required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that are included in records or stated in writing; and any opinion issued in writing by an independent director under Paragraph 5 of Article 13 herein.

VIII. Extemporary motion: The name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph article, an explanation of the important aspects of the relationship of interest, the reasons why the director is required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that are included in records or stated in writing.

IX. Other matters required to be recorded.

If any independent director expresses an objection or reservation that has been included in records or stated in writing on a resolution passed at a directors' meeting, the same shall be stated in the meeting minutes, and be published on an information reporting website designated by the competent authority within two days of the meeting.

The meeting minutes shall bear the signature or seal of both the chairperson and the minutes taker. A copy of the minutes shall be distributed to each director within 20 days after the meeting and maintained as important company records during the existence of the Company.

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

Article 19 Other than the matters that shall be discussed by the Board in Paragraph 1, Article 13, during the adjournment of board meetings, the Board may, pursuant to the laws and regulations, the Company's Articles of Incorporation or the "Table of Authorities and Responsibilities Division among the Board and Managerial Personnel," authorize the Board's authorities; the authorized level, contents, or matters shall be specified without generalizing the authorization.

Article 20 The Board's resolutions shall be transmitted to the Market Observation Post System within the required timeframe if such resolutions are the material information specified by laws and regulations, Taiwan Stock Exchange, or Taipei Exchange.

Article 21 Any matters not covered herein shall be handled in accordance with the Company Law, the Company's Articles of Incorporation and other related laws.

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.

Appendix 4

The Procedures for Electing Directors and Independent Directors of Taiwan Fertilizer Co., Ltd.

Amended at the General Shareholders' Meeting on June 14, 2017
Amended at the General Shareholders' Meeting on July 28, 2021

Article 1 Except as otherwise provided by the Company Act or other laws, the election of Directors and Independent Directors shall be conducted in accordance with the Rules.

Article 2 The election of the Company's Directors and Independent Directors shall adopt the candidate nomination system under Article 192-1 of the Company Act. The Shareholders shall elect the Directors and Independent Directors from among the nominees listed in the roster of director candidates based on the quota defined under the Company's Articles of Incorporation.

The number of the Company's Directors and Independent Directors shall be subject to the quota referred to in the Company's Articles of Incorporation. Based on the statistic results of electronic communication platforms and ballots, those receiving ballots representing the highest numbers of voting rights will be elected as Directors and Independent Directors sequentially according to their respective numbers of votes. The votes for Directors and Independent Directors shall be calculated separately, and the Directors and Independent Directors shall be elected separately. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, and the Chairperson shall draw lots on behalf of any person not in attendance.

Article 2-1 Election and qualifications of the Company's Independent Directors shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and related laws.

Article 3 The single open cumulative voting method shall be used for election of the Company's Directors and Independent Directors. Each share will have the vote in number equal to the Directors and Independent Directors to be elected, and may be cast for a single candidate, or split among multiple candidates, provided that the total of votes shall not exceed the total voting rights.

Article 4 Where any Shareholder appoints a proxy to cast votes on behalf of him/her, except for trust enterprises, or shareholders service agents approved by the competent authority, when a person acts as the proxy for two or more shareholders, the number of voting right represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting rights shall not be counted.

Article 5 Ballots are printed by the Board of Directors, and each attending shareholder is given one ballot with the attendance card number with the number of voting rights printed on it. Voters specified the name or account name of the candidate; however, if a governmental agency or institution is a candidate, the name of such governmental agency or institution shall be specified, or the name of governmental agency or institution and the name of the representative. If there are several representatives, each of their name shall be specified.

Article 6 The Chairperson shall designate two voting supervisors from the present Shareholders prior to the election.

Article 7 The ballots which meet any of the following circumstances shall be held invalid, and the votes represented by the ballots shall not be included in the calculation of votes for the given candidate:

I. Failure to complete the registration procedure;
II. Failure to use the ballot form prepared by the person with the right to convene;
III. The ballot is so illegible that it cannot be read;
IV. The number of candidates specified on the ballot exceeds the quota;
V. The total of votes for various candidates exceed the total voting rights;
VI. The ballot is tampered with or contains other irrelevant text in addition to the particulars to be identified;
VII. Failure to cast the ballot into the ballot box, or the cast ballot remains blank;
VIII. The information of the specified candidate(s) does not conform to the director candidate (independent directors included) list.

Article 8 Cast votes shall be calculated by the voting supervisors on site immediately after the end of the poll, and the results of the calculation shall be announced by the Chairperson on the site.

Article 9 The Company shall issue the notifications to the Directors and Independent Directors elected separately.

Article 10 Any matters not covered herein shall be implemented in accordance with the Company's Articles of Incorporation, Company Act and other related laws.

Article 11 The Rules shall be enforced upon approval of a Shareholders' Meeting. The same shall apply where the Rules are amended.

Appendix 5

Taiwan Fertilizer Co., Ltd.
Status of Share Ownership by Directors (Independent Directors)

1. The total number of shares issued by the Company is 980,000,000. In accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" and the Company's Articles of Incorporation, the total number of shares owned by all directors shall not be fewer than 31,360,000.
2. The Company has established an Audit Committee. The statutory requirement on the minimum number of shares to be owned by the supervisor(s), therefore, is not applicable to the Company.
3. According to the shareholder register as at April 30, 2023, the book closure date for the annual general shareholders' meeting, the number of shares owned by the individual directors (independent directors) and all directors (all independent directors) are respectively as follows:

Position	Name	Number of Shares (units)	Ratio of Share Ownership
Chairman	Council of Agriculture, Executive Yuan Representative: Yao-Hsing Huang	235,886,376	24.07%
Director	Council of Agriculture, Executive Yuan Representative: Jong-I Hu		
Director	Council of Agriculture, Executive Yuan Representative: Mei-Ling Fan		
Director	Council of Agriculture, Executive Yuan Representative: Ko-Yuan Tai		
Director	Council of Agriculture, Executive Yuan Representative: Hsi-Ta Wu		
Director	Chi-Hung Tsao	2,000	0.00%
Independent Director	Su-Ming Lin	0	-
Independent Director	Ming-Jang Weng	0	-
Independent Director	Yen-Sheng Ho	0	-
Number of shares owned by all directors		235,888,376	24.07%

Appendix 6

The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate: N/A.