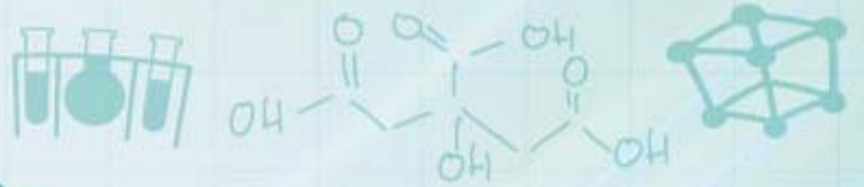


Stock Code : 1735



日勝化工股份有限公司
EVERMORE CHEMICAL INDUSTRY CO., LTD.



Handbook for the 2020 Annual General Shareholders' Meeting

Time : June 15 (Monday) 2020, 9:30 AM

Place : No. 21, Nangang 3rd Road, Nantou City

(Nangang Conference Hall, Nangang Industrial Park Service Center)

Notice to readers

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

Table of Contents

	Page
I. Meeting Procedures.....	1
II. Meeting Agenda	2
1. Management Presentation.....	3
2. Proposals	4
3. Discussions	4
4. Other Matters	5
5. Questions and Motions	5
III. Appendixes	
1. Business Report for 2019	6
2. Supervisor's Review Report.....	10
3. “Procedures for Ethical Management and Guidelines for Conduct,” Complete Text	11
4. “Board Meeting Rules of Procedure,” Comparison Table of Amendments	18
5. Financial Statements and Consolidated Financial Statements for 2019.....	20
6. Statement for Distribution of Earnings	40
7. Comparison Table of Amendments to the Articles	41
8. “Rules of Procedure for Shareholder Meetings,” Comparison Table of Amendments	42
9. Appendix VIII Schedule of Positions for Directors	45
10.Shareholding by Directors and Supervisors.....	46
11.Board Meeting Rules of Procedure (Before Amendment) ...	47
12.Articles of Association (Before Amendment)	52
13.Rules of Procedure for Shareholder Meetings (Before Amendment)	56

I. Meeting Procedures:

EVERMORE CHEMICAL INDUSTRY CO., LTD. Procedure for the 2020 Annual Meeting of Shareholders

1. Call to Order
2. Chairperson Remarks
3. Management Presentation
4. Proposals
5. Discussions
6. Other Matters
7. Questions and Motions
8. Adjournment

II. Meeting Agenda:

EVERMORE CHEMICAL INDUSTRY CO., LTD. Meeting Agenda for the 2020 Annual Meeting of Shareholders

Time: June 15, 2020 (Monday), 9:30 AM

Held at: No. 21, Nangang 3rd Road, Nantou City (Nangang Assembly Hall,
Nangang Industrial Park Service Center)

1. Management Presentation:

- (1) Report on annual raising compensation for employees, directors and supervisors in 2019.
- (2) Business and Financial Report for 2019 and Annual Operating Plan for 2020.
- (3) Review of the report on final accounts for 2019 by supervisors.
- (4) Report on the funds lent and endorsement & guarantee provided by the Company.
- (5) Formulation of the Company's "Procedures for Ethical Management and Guidelines for Conduct."
- (6) Revisions to "Board Meeting Rules of Procedure."

2. Proposals:

- (1) Adoption of the 2019 Business Report and Financial Statements.
- (2) Adoption of earning distribution plan in 2019.

3. Discussions:

- (1) Amendments to "Articles of Association."
- (2) Amendments to "Rules of Procedure for Shareholder Meetings."

4. Other Matters:

- (1) Proposal of Release the Prohibition on Directors from Participation in Competitive Business.

5. Questions and Motions.

6. Adjournment.

1. Management Presentation

Report No. 1: Report on annual raising compensation for employees, directors and supervisors in 2019.

Description: The Company has offered a pay raise of 5% to employees and 2% to directors and supervisors in 2019 according to its Articles of Association, equivalent to NT\$7,782,850 and NT\$3,113,140 respectively which shall be paid in cash.

Report No. 2: Business and Financial Report for 2019 and Annual Operating Plan for 2020.

Description: Please refer to Appendix I (Page 6-9).

Report No. 3: Review of the report on final accounts for 2019 by supervisors.

Description: Please refer to Appendix 2 (Page 10).

Report No. 4: Report on the funds lent and endorsement & guarantee provided by the Company.

Description: The funds lent and endorsement & guarantee provided by the Company as of December 31, 2019 are as follows:

1. Endorsement & guarantee:

Endorser & guarantor	Endorsee/Guarantee	Endorsement & guarantee limit (NT\$ 1,000)	Actual Borrowing Amount (NT\$ 1,000)
EVERMORE CHEMICAL INDUSTRY CO, LTD	LIBERTY BELL INVESTMENTS LTD.	NTD449,700 (USD 15,000)	NTD179,730 (USD 5,995)

2. Fund lending:

Lender	Borrower(s)	Credit line for fund lending (NT\$ 1,000)	Actual Borrowing Amount (NT\$ 1,000)
NEOLITE INVESTMENTS LTD.	LIBERTY BELL INVESTMENTS LTD.	NTD89,940 (USD 3,000)	NTD47,968 (USD 1,600)
TOPCO	LEADERSHIP	NTD8,610 (CNY 2,000)	NTD8,610 (CNY 2,000)

Report No. 5: Amendments to the Company's "Procedures for Ethical Management and Guidelines for Conduct."

Description: To meet the needs of corporate governance, "Procedures for Ethical Management and Guidelines for Conduct" are to be drafted. For the full text, please refer to Appendix 3 (pages 11-17).

Report No. 6: Amendments to "Board Meeting Rules of Procedure."

Description: In order to cooperate with the revision of relevant laws and regulations and to meet corporate governance needs, proposed revisions are to be made to the "Board Meeting Rules of Procedure." For a chart of provisions before and after revision,

please refer to Appendix 4 (page 18-19).

2. Proposals

Report No. 1: Approval of 2018 Business Report and Financial Statements; submitted for approval. (Proposed by the Board of Directors)

Description: 1. The accountants from Deloitte Touche Tohmatsu Limited, *i.e.* Jiang Shujing and Wu Lidong, have audited the Company's annual accounts, individual financial statement and consolidated financial statements for 2019, and issued an Auditor's Report. In addition, the financial statements, Business Report, distribution of earnings contained in the preceding paragraph which were identified as on record upon review by supervisors are submitted for approval.
2. Please refer to Appendix V (pages 6-9) and Appendix III (pages 20-39) for the attached books, statements and Auditor's Report issued by the accountants.

Resolutions:

Report No. 2: Adoption of earning distribution plan in 2019 submitted for approval. (Proposed by the Board of Directors)

Description: 1. Please refer to Appendix VI (page 40) for the Company's distribution of earnings for 2019.
2. Cash dividend: NT\$ 64,602,200, distributed pro rata to the shareholders on the shareholder register as of record date at NT\$ 0.65 per share (round down to NT\$ 1). The fractional amount of dividends less than NT\$ 1 is summed and recognized as other income of the Company. After the approval of the general meeting, the Board of Directors is authorized by the shareholders to fix record date and date for dividend distribution.
3. If there is a change in dividend payout ratio due to changes in the number of outstanding shares of the Company prior to the record date, the Board of Directors shall be authorized by the shareholders to make adjustments.

Resolutions:

3. Discussions

Report No. 1 Reason: Amendments to the Articles of Association of the Company (submitted for approval by way of a resolution). (Proposed by the Board of Directors)

Description: To align with changes in laws and regulations and meet the needs of corporate governance, proposed revisions are made to the Company's "Articles of Association." For a chart of provisions before and after revision, please refer to Appendix 7 (page 41).

Resolutions:

Report No. 2: Amendments to "Rules of Procedure for Shareholder Meetings" submitted for resolution. (Proposed by the Board of Directors)

Description: To align with the revision of relevant laws and regulations and meet corporate governance needs, proposed revisions are made to the "Rules of Procedure for Shareholder Meetings." For a chart of provisions before and after revision, please refer to Appendix 8

(pages 42-44).

Resolutions:

4. Other Matter

Report No. 1: Proposal of Release the Prohibition on Directors from Participation in Competitive Business (submitted for approval by way of a resolution). (Proposed by the Board of Directors)

Description: 1. According 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.

2. In order to terminate the non-competition restrictions imposed on the directors for any other companies engaged in the business lines identical with or similar to the Company's, as invested or managed by themselves or on behalf of others, the motion for termination of the non-competition restrictions was proposed to the general shareholders' meeting for approval.

3. For the Schedule of Positions for Directors, please refer to Appendix IX page 39.

Resolutions:

5. Questions and Motions

6. Adjournment.

Reference Appendix

Appendix I: Business Report for 2019

1. Operating Results for 2019

(I) Results of Business Plans

In 2019 the Company's consolidated net operating revenue was NT\$ 3,174,698,000 the consolidated net profits after tax were NT\$ 117,843,000 the consolidated basic earnings per share (EPS) after tax was NT\$ 1.19, and the diluted earnings per share was NT\$ 1.18. Please refer to the table below for details.

Revenue decreased in 2019 compared to 2018. Because the prices of primary raw materials of some products had fallen rapidly since the third quarter of 2018, the prices of some products were gradually reduced in order to encourage active purchasing and creation of a win-win situation with customers; revenue decreased accordingly. Separately, the cost of raw materials remained relatively stable in the current year following their decrease in the third quarter of 2018, generating a gain on reversal in the form of allowance for inventory losses. Overall, the year's gross profit margin is 140% higher than in 2018, resulting in an increase in net profit before and after tax compared with the prior year.

Operating Performance:

Unit: NT\$ 1,000

Item	2019	2018	Growth Rate
Operating Revenue	3,174,698	3,675,769	-13.63%
Operating Profits	200,484	73,902	171.28%
PROFIT BEFORE INCOME TAX	175,061	54,165	223.20%

(2) Budget Implementation

The Company has not disclosed the financial forecasts for the year of 2019.

(3) Financial Revenue and Expenditure

As of December 31, 2019, the total assets were NT\$ 2,903,083,000, the total liabilities were NT\$ 1,437,933,000, the debt ratio was 49.53%, and the current ratio was 140.67%.

(4) Analysis of Profitability

Item	2019	2018
Return on assets (%)	4.49	0.84
Return on equity (%)	8.27	0.74
Income before tax/paid-in capital (%)	17.61	5.44
Net profit margin (%)	3.71	0.28
Earnings per share (NT\$)	1.19	0.10

(5) Status of Research and Development

1. R & D expenses spent in this year:

Item	2019
Amount (NT\$ 1,000)	78,645
Proportion to operating revenue (%)	2.48%

2. The technologies or products developed successfully:

- Environmentally-friendly solvent-free polyurethane adhesive for bed board construction.
- Environmentally-friendly solvent-free polyurethane adhesive for solid wood composite floors.
- Environmentally-friendly solvent-free polyurethane hot melt adhesive suitable for fabrics with high water repellency and water washing resistance.
- Environmentally-friendly solvent-free polyurethane hot melt adhesive for paper

lamination.

E. Polyester plasticizer for migration-resistant PVC.

F. Environmentally friendly benzoate plasticizer for plastic rubber.

G. High-value acrylate monomer/methacrylate monomer produced in a toluene-free manufacture process.

2. Summary of Annual Business Plan for 2020

(1) Business Policies

1. In terms of core technology, we focus on polyurethane resin, functional acrylic monomers, oligomers, UV-curable resin, and the development and application of bridging agents and additives for coatings.
2. In terms of the application of products in the downstream industry, continuous attention should be paid to sports and leisure sectors, including the demand for functional materials in sports shoes, clothes, bags, equipment, outdoor activities, etc.; the Company plans to integrate upstream development and marketing with downstream development and marketing, and broaden cooperation with international brands; continue to expand the application of traditional woodware to 3C photoelectric coatings, the application of PU resin in construction, electronics and automotive-related industry to explore niche-type industries.
3. In the product development section, in addition to functional requirements, we continue to develop green and environmentally friendly materials in line with modern trends. This includes solvent-free one-component and two-component PU for textile coating lamination, thermoplastic PU, water-based PU, low-energy consumption UV-curable acrylic resin, and so on, all in hopes of contributing to a green Earth.
4. In order to be closer to and better serve brand-name customers in the sports industry, we continue to develop low-polluting, low-energy-consumption manufacturing processes while also developing products such as solvent-free functional PU film, deeply cultivating functional textile lamination and the application market of solvent-free PU synthetic leather.
5. In terms of resource integration of the Group, we continue to strengthen complementary production and marketing between factories in Nangang, Taiwan and Huangjiang, Guangdong. It is also necessary to combine the marketing channels of AICA and other subsidiaries in the field of optoelectronics and coatings while expanding integration and synergies in Greater China.
6. We will continue to invest resources in the Southeast Asian market. In addition to market development, we are also investing in the construction plan for a production base in Vietnam, with a view to exerting the comprehensive effect of Taiwan, Dongguan, Vietnam, and Thailand.

(2) Expected Sales Volume and Its Basis

Unit: MT

Type of Products	PU resin	PE resin	Other products
Quantity	33,204	3,688	3,950

The above-mentioned expected quantities are based on the annual sales in 2019, with reference to the estimate of the overall economic situation for 2020.

(3) Significant Policies for Production and Sales

- 1.To stabilize the quality of products, meet customer requirements, and improve customer loyalty.
- 2.To quickly respond to the customer's demand for special specifications of products and capture the market as soon as possible.
- 3.To strengthen the development of new products and customers, and take the initiative to pay close attention to the market.
- 4.Subsidiaries each region closely communicate and coordinate with one another so as to respond with the ability to dispatch and deliver multi-nationally.

3. The Company's development strategies in the future will be influenced by the external competitive environment, regulatory environment and overall business environment:

(1) The Company's Development Strategies in the Future

- To strengthen the function of the Group: Set up the general manager's office, integrate the executive functions of the Group, and the operational affairs of each business unit, enhance the functional level of the Group, and make full use of internal resources to maximize value.
- To enhance the ability of the dedicated teams to take charge: keep the group's finance, marketing, R&D and supply chain functioned as the group's management center, with each department focused on the operation and management of specific areas, so that they are responsible for their respective goals and strategies, and create profits.
- To continuously review and focus on core competencies: Carry out internal evaluation of the value and scalability of core competencies, and innovate products and sustain core capabilities by exerting the existing capabilities of marketing and R&D.
- To build a service-oriented business model: The key to the future business strategy of EVERMORE CHEMICAL is re-examining the characteristics of the existing industrial value chains with innovative thinking and vision, finding new niche, creating differentiated value, and developing the service-oriented corporate culture of T2.5 generation manufacturing.
- Beginning with the end: Start with meeting the needs of the terminal industry and the market based on the core capabilities of precision chemistry and materials technology, and deeply explore and focus on the niche market. Looking ahead, we will focus on the overall solution in the year, by going beyond the original product application market, integrating the existing technologies of products with innovative thinking, providing customers with higher added value and developing innovative production process that keeps up with the green trends of carbon reduction and low pollution in the future.
- To improve production technology, product quality, yield rate and other related production processes through the cooperation model of international subcontracting.
- To expand the fields of construction, optoelectronics, adhesives, etc. through the AICA cooperation platform to improve business performance and profitability.
- To actively expand the Southeast Asia and emerging markets.
- To continuously recruit and train outstanding talents to achieve medium- and long-term organizational goals.
- To develop new products with high added value and enhance internal core technologies based on industry trends and customer needs.
- In addition to focusing on the development of green and environmentally friendly products, we will also contribute to the construction of green earth by responding to environmental awareness and reducing waste output.

(2) Impact of the external competitive environment, regulatory environment and overall business environment, and countermeasures

The overall business environment, including international prosperity, regional political factors, crude oil prices, trade agreements, environmental regulations of each country and exchange rates, will have impact on the operation of the chemical industry. In terms of raw materials, with reference to the prices for crude oil and supply of raw materials in the market, we will purchase raw materials with competitive price advantage if appropriate to cut product costs; with respect to trade agreements, by taking into consideration of the status of each production base of the group, and with reference to the terms of the trade agreements for territories, we will take advantage of the Group's supply chain platform and adopt a more flexible marketing strategy; as the development of chemical industry is limited by the heightening environment protection awareness of each country, the Company gradually reduces its dependence on high-pollution energy, promotes lean production and strengthens the recycling of internal wastes, reduces waste emissions, and continues to develop environmentally friendly products in response to market development

needs in the future; at the same time, in response to the changes in the business environment, we will overcome excessive dependence on a single market, and gradually strengthen the development of the Southeast Asian market.

The new coronavirus emerged in January 2020, and the operating conditions of the main affected countries or regions are subject to limits and the global economy is bound to be affected in the first quarter of this year. The company is fully coordinating the production capacities of the Nangang and Guangdong Huangjiang plants in an effort to minimize the impact and we hope to achieve this year's operating budget.

Today, ladies and gentlemen, thanks for taking the time to attend the General Meeting of the Company. All employees of the Company will adhere to the consistent business philosophy, and create profits to share with shareholders and give back the society. We wish all the shareholders good health and good luck!

Chairman: Ho Wen Chieh

Manager: Huang Chng Tze

Chief Accountant: Chen Hsiang Li

EVERMORE CHEMICAL INDUSTRY CO, LTD

Supervisor's Review Report

The Company's individual financial statement and consolidated financial statements prepared and submitted by the Board of Directors for 2019 have been audited, and determined as sufficient to appropriately reflect the Company's financial position, business results and cash flows by the accountants from Deloitte Touche Tohmatsu Limited, *i.e.* Jiang Shujing and Wu Lidong. The Audit Report together with the Business Report and earning distribution plan are determined as qualified after review by supervisors. Reports have been submitted in accordance with the provisions of Article 219 of the Taiwan's Company Act.

Best Regards

General Shareholders' Meeting of EVERMORE CHEMICAL INDUSTRY
CO, LTD for 2020

Supervisor: Liu Ve -Tung

Supervisor: Lu Hui Pin

Supervisor: Su I- Hsiu

March 19, 2020

Appendix 3. "Procedures for Ethical Management and Guidelines for Conduct," complete text.

EVERMORE CHEMICAL INDUSTRY CO., LTD.
Procedures for Ethical Management and Guidelines for Conduct
Promulgated 109/3/19

Article 1: Purpose and scope of application

The company engages in business activities based on the principles of fairness, honesty, trustworthiness and transparency. To implement the ethical management policy and actively prevent dishonesty, these Procedures and Guidelines for Conduct have been developed in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies" and the relevant laws and regulations of the places where the company and group companies and organizations operate, so as to specifically regulate matters that the company's personnel should pay attention to when carrying out business.

The scope of these Procedures and Guidelines for Conduct is applicable to Group companies and organizations including subsidiaries, foundations with direct or indirect contributions of endowed funds totaling more than 50%, and Group companies and organizations such as other institutions or juristic persons with substantial control capabilities.

Article 2: Applicability

The personnel of the Company referred to in these Procedures and Guidelines for Conduct include directors, supervisors, managers, employees, appointees, and persons with substantial control of the Company and Group companies and organizations.

When Company personnel provide, promise, request, or accepting any improper benefit from a third party, these actions are presumed to be due to the Company personnel.

Article 3: Dishonesty

Acts of dishonesty described in these Procedures and Guidelines for Conduct refers to when personnel of the Company, while executing business, gain or maintain benefits, directly or indirectly provide, accept, promise or request any improper benefits, or engage in other acts that violate integrity, or constitute lawlessness or a breach of fiduciary duty. The object of the preceding behavior includes public officials, candidates for political office, political parties or party officials, and any public or private enterprise or institution and its directors (council members), supervisors (inspectors), managers, employees, persons with substantial control capabilities, or other interested parties.

Article 4: Forms of Benefits

The benefits mentioned in these Procedures and Guidelines for Conduct refer to any apparent or nominal amount of money, offerings, gifts, commissions, positions, services, preferential treatment, rebates, facilitation payments, hospitality, entertainment, and other valuable things.

Article 5: (Dedicated units and positions)

The Company shall appoint an administrative office reporting to the Board of Directors as its dedicated unit (hereinafter referred to as the Dedicated Unit of the Company). It shall allocate sufficient resources and qualified personnel to handle relevant operations and supervise the implementation, revision, implementation, interpretation, consulting services, and registration of the contents of the Procedures and Guidelines for Conduct. It shall be in charge of the following primary duties to be reported to the Board of Directors (at least once per year):

1. Assist in integrating integrity and ethical values into the Company's business strategy and cooperate with the legal system to formulate relevant anti-fraud measures to ensure ethical management.

2. Regularly analyze and evaluate the risks of dishonesty in the business scope and formulate plans to prevent dishonesty, incorporating standards of the Procedures and Guidelines for Conduct within each plan.
3. In planning internal organization, establishment, and responsibility, for business activities with a high risk of dishonesty in the business scope, it shall place a mechanism for mutual supervision and checks and balances.
4. It shall promote and coordinate of ethical policy advocacy training.
5. It shall plan the reporting system, ensuring the effectiveness of implementation.
6. It shall assist the Board of Directors and management to check and evaluate whether the preventive measures established by ethical management are operating effectively, and regularly evaluate and follow the relevant business processes in a report.
7. It shall produce and appropriately retain relevant documented information such as the ethical management policy and its compliance statement, implementation commitment, and execution status.

Article 6. Prohibition against offering or accepting improper benefits

When directly or indirectly providing, accepting, promising or requesting the benefits specified in Article 4, Company personnel should meet the requirements of "Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies" and these Procedures and Guidelines for Conduct, except for situations specified below and after executing in accordance with the relevant procedures:

1. Based on business needs, when visiting (receiving) foreign guests, promoting business, and communicating and coordinating domestically, according to local courtesies, practices, or customs.
2. Participate in or invite others to organize normal social activities based on normal social etiquette, business purposes, or promotion of relationships.
3. Invite customers or be invited to participate in specific business activities, factory visits, etc. due to business needs, and the cost of the pre-opening activities, the number of participants, the level of accommodation and the period, etc. have been clearly specified.
4. Participate in publicly held folk festivals that invite the general public to take part.
5. Supervisor rewards, assistance, condolence, or consolation items.
6. Provision or acceptance of money, property, or other benefits from relatives or people other than frequent friends, within the scope of general etiquette.
7. Assets received for engagement, marriage, childbirth, relocation, employment, promotion, retirement, resignation, resignation, and injury, death, or death of the person, spouse, or immediate family within the scope of general etiquette.
8. Other items complying with Company regulations.

Article 7. Procedures for handling acceptance of improper benefits

For Company personnel encountering any other person directly or indirectly providing or promising to provide the benefits specified in Article 4, and except for the circumstances specified in the preceding paragraph, this should be handled according to the following procedures:

1. The person who provides or promises with no interest related to the position shall report to the direct supervisor within three days from the date of acceptance, and notify the Dedicated Unit of the Company if necessary.
2. The person who provides or promises while having an interest related to the position should return or reject the item and report to the direct supervisor and inform the Dedicated Unit of the Company. When it cannot be refunded, it should be turned over to the Dedicated Unit of the Company for handling within three days from the date of acceptance.

An interest related to the position, as specified in the preceding paragraphs, refers to one of the following situations:

1. Those with relationships such as business dealings, command and supervision, or fee supplement (award) assistance.
2. Those who are seeking, carrying out or have entered into a contract, sale, or other contractual relationship.
3. Those who will suffer favorable or adverse effects from other decisions, execution, or non-execution of the company's business.

The Dedicated Unit of the Company shall, according to the nature and value of the first interest, make a refund, accept payment, return to the public, transfer to charity or other appropriate suggestions, and execute it after the approval of the report in accordance with the authority of the verification.

Article 8. Prohibition against facilitation payments and handling procedures

The Company shall not provide or promise any facilitation payments.

If Company personnel provide or promise facilitation payments due to threats or intimidation, they should report to the supervisor directly under the reporting process and notify the Dedicated Unit of the Company.

The Dedicated Unit of the Company shall deal with it immediately after receiving the notice in the preceding paragraph and review related matters to reduce the risk of recurrence. If illegal matters are found to be involved, the judicial affairs unit shall be immediately informed.

Article 9: Handling procedures for political contributions

When the Company provides political contributions, this should be handled in accordance with the following regulations and can only be done after approval of the internal operations and approval authority:

1. It should be confirmed that it is in compliance with the relevant political contribution regulations of the country where the political contribution recipient is located, including the upper limit and form of political contributions.
2. A written record should be made of such decisions.
3. Political contributions should be accounted for in accordance with regulations and accounting-related handling procedures.
4. When making political contributions, avoid engaging in business transactions with relevant government agencies, applying for permits, or handling other matters involving the interests of the Company.

Article 10: Handling procedures for charitable donations or sponsorships

The Company's provision of charitable donations or sponsorships should be handled as specified here. After being reported to and gaining approval from the Chairman and after notifying the Dedicated Unit of the Company, major donations should be reported to the Board of Directors for approval and adhere to the following:

1. They should comply with the laws and regulations of the place of operation.
2. A written record should be made of such decisions.
3. The object of charitable donations should be charitable organizations and not constitute hidden bribes.
4. To ensure that the sponsorship can obtain feedback that is clear and reasonable, it must not involve the Company's business contacts or individuals having a beneficial interest in Company personnel.
5. After the charitable donation or sponsorship is made, it should be confirmed that the use of money matches the purpose of donation.

Article 11. Avoiding conflicts of interest

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interests of the Company the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall be self-disciplined, and prohibited from backing up each other inadequately.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

When undertaking Company business, if Company personnel find that a conflict of interest exists with themselves or the juristic persons they represent, or there is a situation that may allow them, their spouses, parents, children, or interested parties to obtain undue benefits, the relevant matters should be reported to the direct supervisor and to the Dedicated Unit of the Company, and the direct supervisor shall provide appropriate guidance.

Company personnel shall not use company resources for business activities outside the Company, and shall not affect their work performance by participating in business activities outside the Company.

Article 12: Organization and responsibility of confidentiality mechanisms

The Company shall set up a dedicated unit that is responsible for formulating and executing the company's business secrets, trademarks, patents, works and other intellectual property management, preservation and confidentiality procedures. The results of implementation should be reviewed regularly to ensure the continued effectiveness of its operating procedures.

Company personnel shall strictly abide by the relevant operational regulations for the intellectual property described in the preceding paragraph. They shall not divulge to others intellectual property that is known to them such as company business secrets, trademarks, patents, works, and so on; and it is not allowed to inquire or collect the Company's business secrets, trademarks, patents, works and other intellectual property that are not related to one's position.

Article 13: Prohibition against unfair competition

The Company engages in business activities according to the Fair Trade Act and relevant regulations governing competition. It does not fix prices, manipulate bids, limit production and quotas, or share or segment the market by allocating customers, suppliers, operating areas, business types, and so on.

Article 14: Preventing damage to interested parties through products or services

Relevant laws and international standards that the Company should follow should be collected and understood for the products and services it provides, and it shall summarize and announce matters that should be paid attention, prompting Company personnel in the process of research and development, procurement, manufacturing, provision or sale of products and services and ensuring information transparency and security of products and services.

The Company formulates and discloses matters on the Company's website to protect the rights of consumers or other stakeholders to prevent products or services from directly or indirectly damaging their rights, health, and safety.

When media reports or established facts are sufficient to recognize that the Company's products and services constitute a danger to the safety and health of consumers or other interested parties, the Company shall immediately recall that batch of products or stop that service as soon as possible within an appropriate period, and it shall investigate the facts pertaining to whether the allegation is true while conducting a review to plan improvements.

The Dedicated Unit of the Company shall report to the board of directors on the foregoing matters, their handling methods and subsequent review and improvement measures.

Article 15: Confidentiality agreements and prohibitions against insider trading

Company personnel shall abide by the provisions of the Securities and Exchange Act, and shall not use known and undisclosed information to engage in insider transactions, or disclose to others to prevent others from using the undisclosed information to engage in insider transactions.

Other organizations or personnel participating in the Company's mergers, divisions, acquisitions and share transfers, important memoranda, strategic alliances, other business cooperation plans or important contracts should sign confidentiality agreements with the Company. They should make a commitment not to disclose the Company's commercial secrets or other material information that they know to others, and not use the information without the Company's consent.

Article 16: Following and declaring the ethical management policy

The Company shall require directors and senior management to issue a statement to comply with the ethical management policy, and conditions of employment should require employees to comply with the ethical management policy.

The Company shall disclose its ethical management policy via internal regulations, annual reports, company websites, or other forms of publicity, and make timely announcements at product launches, corporate briefings, and other external activities, so that its suppliers, customers or other business-related institutions and personnel can clearly understand ethical management concepts and norms.

Article 17: Ethical management evaluation before establishing a business relationship

Before the Company establishes a business relationship with others, it should first assess the legality and ethical management policy of agents, suppliers, customers, or other business contacts, and whether there has been any record of dishonest behavior, to ensure that its business practices are fair, transparent and will not require, offer, or accept bribes. When the Company conducts the evaluation in the preceding paragraph, appropriate inspection procedures may be adopted, examining their business partners for the following matters to understand the status of their ethical management:

1. The company's country, location of operations, organizational structure, operating policies and payment locations.
2. Whether the enterprise has set forth an ethical management policy and its implementation situation.
3. Whether the place where the enterprise operates is a country with high risk of corruption.
4. Whether the business of the enterprise falls within an industry with a high risk of bribery.
5. The long-term operating status and business reputation of the enterprise.
6. A consultation with the opinions of its business partners on the business.
7. Whether the enterprise ever been involved in any dishonest conduct such as bribery or illegal political contributions.

Article 18. Explanation of ethical management policy to business counterparties

Company personnel should explain the company's ethical management policy and relevant regulations to transaction partners in the course of engaging in commercial activities, and they should expressly refuse to directly or indirectly provide, promise, request, or accept any apparent or nominal improper benefit.

Article 19: Avoidance of trading with non-ethical managers

Company personnel should avoid engaging in business transactions with agents, suppliers, customers, or other business partners involved in dishonest conduct. Upon discovering that a business transaction or the partner exhibits dishonest behavior, the personnel should immediately halt this business and list it as a prohibited party in order to implement the Company's ethical management policy.

Article 20: Stipulating ethical management in contracts

When the Company signs a contract with others, it should fully understand the other party's ethical management status and incorporate the Company's ethical management policy into the contract terms. At a minimum, the following items should be clearly stated in the contract:

1. Any party who knows of a person violating the terms of the contract prohibiting the receipt of commissions, rebates, or other illegitimate benefits shall immediately and faithfully inform the other party of the identity, offer, promise, request or manner, amount, or other illegitimate benefits of such personnel, and provide related evidence and cooperate with other investigations. If one party suffers damage due to this, it may request the other party provide a certain percentage of the amount of damages in the contract amount, and this shall be deducted from the contract price payable.
2. If any party is involved in dishonest conduct in commercial activities, the other party may unconditionally terminate or cancel the contract at any time.
3. Set clear and reasonable payment content, including payment location, method, relevant tax regulations to be met, etc.

Article 21: Handling of company personnel involved in dishonesty

The Company shall encourage internal and external personnel to report dishonesty or misconduct, and appropriate bonuses are to be given according to the severity of the report. Internal personnel should be disciplined if they misrepresent or accuse maliciously, and should face dismissal in serious cases.

The Company shall establish and announce internal independent reporting mailboxes and dedicated lines on the Company's website and internal websites, or entrust other external independent institutions to provide reporting mailboxes and dedicated lines for use by internal and external personnel of the Company.

Whistleblowers should provide at least the following information:

1. The name and ID number of the whistleblower must be reported anonymously, as well as the whistleblower's address, telephone number, or e-mail address where he or she can be contacted.
2. The name of the accused or other sufficient information to establish the identity of the accused.
3. Specific evidence available for investigation.

The relevant personnel of the Company in handling the report should report the identity of the informant and the content of the report confidentially. The Company shall also to protect whistleblowers from improper handling due to their reports.

The Dedicated Unit of the Company shall handle reporting procedures in accordance with the following:

1. Cases involving general employees should be reported to the department head. Cases involving directors or senior executives should be reported to independent directors or supervisors.
2. The Dedicated Unit of the Company and the supervisor or person reported in the preceding paragraph shall immediately ascertain the relevant facts. Where necessary, assistance will be provided by regulatory compliance or other relevant departments.
3. If it is confirmed that the accused has indeed violated relevant laws or the Company's ethical management policy and regulations, it shall immediately request the accused to stop the relevant behavior and take appropriate measures. If necessary, the matter shall be reported to the competent authority and transferred to the judicial authority for investigation, or otherwise damages should be sought through legal procedures to protect the Company's rights and reputation.
4. The whistleblower report, the investigation process, and the investigation results should be documented and retained for five years; such retention can be done electronically. When a lawsuit arises in relation to the report content before the expiration of this retention period, the relevant materials shall be retained until the end of the lawsuit.
5. In cases where the report is verified, Company units bearing the associated costs shall review relevant internal control systems and operating procedures and put forward improvement measures to prevent the same behavior from happening again.
6. The Dedicated Unit of the Company shall report the circumstances of the report, its handling methods and subsequent review and improvement measures to the Board of Directors.

Article 22: Handling of other parties engaging in dishonest behavior with the Company

In the event that Company personnel encounter dishonest behavior on the part of others against the Company, if any illegal activities are involved, the Company shall notify the judicial and prosecutorial authorities of the relevant facts. If there are public agencies or public officials involved, the government's clean government agencies shall be informed.

Article 23: Internal advocacy, establishment of rewards and punishments, appeal systems and disciplinary actions

The Dedicated Unit of the Company shall engage in internal advocacy once per year, making arrangements with the Chairman, General Manager, or senior management to convey the importance of ethics to directors, employees and appointments.

The Company shall incorporate ethical management into employee performance evaluation and human resources policies, establishing a clear and effective reward, punishment, and appeal system.

The Company shall fire or dismiss personnel of the Company who have had serious ethical violations in accordance with relevant laws and regulations or the Company's personnel measures.

On its internal website, the Company shall disclose the job title, name, date of violation, content of violation, and handling situation of personnel with ethical violations.

Article 24: Implementation

The Procedures and Guidelines for Conduct are approved by the Board of Directors, and it shall be sent to all supervisors and report to the shareholders meeting; the same applies to amendments.

When this Procedures and Guidelines for Conduct is reported to the Board for discussion, the opinions of independent directors should be fully considered, and their opposing views or reservations shall be stated in the minutes of the board meeting. If any independent director cannot attend the Board of Directors meeting in person to express their objections or reservations, then unless there is a legitimate reason a written opinion should be issued in advance and this should also be stated in the minutes of the board meeting.

Appendix 4. "Board Meeting Rules of Procedure" Comparison Table of Amendments

EVERMORE CHEMICAL INDUSTRY CO., LTD.

Board Meeting Rules of Procedure, Comparison Table of Amendments
2020.3.19

Revised Provisions	Original Provisions	Description
<p>Article 7: The Company's Board meetings shall be convened by <u>The chairman</u>, the Chairman, who shall act as chairperson of the meeting. However, the first meeting of every term of the newly elected Board of Directors shall be convened and presided over by the Director who has received the largest number of votes after such election. If there are two or more persons with such convening rights, they shall elect from amongst themselves one person to convene and preside over the meeting. <u>Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</u></p> <p>When the chairman cannot exercise his duties, he shall be represented by a board member appointed by him. If no such appointment is made, board members will choose among themselves to represent him.</p>	<p>Article 7: The Company's Board meetings shall <u>should</u> be convened by the Chairman, who shall act as chairperson of the meeting. However, the first meeting of every term of the newly elected Board of Directors shall be convened and presided over by the Director who has received the largest number of votes after such election. If there are two or more persons with such convening rights, they shall elect from amongst themselves one person to convene and preside over the meeting.</p> <p>When the chairman cannot exercise his duties, he shall be represented by a board member appointed by him. If no such appointment is made, board members will choose among themselves to represent him.</p>	<p>TWSE Letter No. 1090000926 In line with the Amendment of the Company Act of August 1, 2018, the chairperson of the board meeting shall be clearly defined.</p> <p>New item added. The original second item was transferred to the third item.</p>
<p>Article 16: When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, a Director, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interests of the Company the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. <u>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with</u></p>	<p>Article 16: When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, a Director, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interests of the Company the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director.</p>	<p>This is in accordance with the Amendment and Announcement of August 1, 2018 to the Company Act, Article 206, Paragraph 3 which updates Paragraph 2 to clarify that where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an</p>

Revised Provisions	Original Provisions	Description
<p><u>respect to an agenda item as described in the aforementioned meeting, such director shall be deemed to be an interested party with respect to that agenda item.</u></p> <p>Per the resolution of the Company's Board of Directors, the provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis <u>2</u> under Article 206, paragraph <u>4</u> of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.</p>	<p>Per the resolution of the Company's Board of Directors, where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.</p>	<p>interested party with respect to that agenda item.</p> <p>The current second paragraph is moved to the third paragraph, and in accordance with the Amendment to the Company Act of August 1, 2018, the third paragraph of Article 206 is moved to the fourth paragraph.</p>

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Evermore Chemical Industry Co., Ltd.

Audit Opinion

We have audited the accompanying individual balance sheets of Evermore Chemical Industry Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2019 and 2018, and the related individual statements of comprehensive income, of changes in equity and of cash flow for the years then ended, and notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other independent accountants, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of the Group as at December 31, 2019 and 2018, and its individual financial performance and its individual cash flow for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s individual financial statements of the year 2019. 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.

Key audit matters for the Group’s 2019 individual financial statements are stated as follows:

Impairment Assessment of Trade Receivables

The impairment assessment of trade receivables is based on the management's assumptions about risk of default and expected loss rates, and the subjective estimates of future cash flow. Where the actual future cash inflows are less than the carrying amount of assets, a material impairment loss may arise. Considering the management's significant accounting judgments, estimates, and significant accounts receivable balances, the impairment assessment of trade receivables is a key audit matter. Refer to Notes 4, 5, and 7 to the Company's financial statements for the accounting policies related to disclosures on trade receivables.

Our key audit procedures performed in respect of the above matter included the following:

1. Obtain an understanding and assess the design and effectiveness of the Company's internal control related to the impairment of trade receivables.
2. Understand the management's policy on the impairment of trade receivables, and check the correctness of the aging of trade receivables.
3. Review the reasonableness of the management's assessment on expected loss rates for calculating the adequacy of recognizing impairment loss, and for verifying the possibility of recovering outstanding receivables after the audit period.

Valuation of Inventories

Due to frequent fluctuations in international crude oil prices, fierce market competition, and rapid technological changes in the chemical industry, the net realizable value decisions for the assessment data related to the lower of inventory cost and net realizable value at the reporting period have a greater impact on the financial statements. Since determining the net realizable value of inventory involves more estimations, the valuation of inventories is a key audit procedure. Please refer to Notes 4, 5, and 8 to the accompanying consolidated financial statements for the accounting policies related to disclosures on inventory.

Our key audit procedures performed in respect to the impairment assessment of accounts receivable included the following:

1. We understood and tested whether management managed the inventory of normal and stagnant goods under appropriate control.
2. We obtained assessment data related to the low inventory cost and net realizable value prepared by the management, extracted the estimated selling price information to the most recent sales record, and assessed the basis and reasonableness of the management's estimated net realizable value.
3. We reviewed the inventory status and assessed the appropriateness of depreciation losses for obsolete or defective goods in inventory carried out at the end of the year.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the Company's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue operations, disclosing, as applicable, matters related to

ongoing operation and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no feasible alternative but to do so.

Those charged with governance, including the supervisors, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the 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 and appropriate audit evidence regarding the financial information of 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 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 2019 individual financial statements 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.

Deloitte Taiwan

CPA Shu-Ching Chiang

CPA Li-Tung Wu

Approval reference of the Financial
Supervisory Commission

Jin-Guan-Zheng-Shen-1000028068

Approval reference of the Securities and
Futures Bureau

Tai-Tsai-Cheng (VI) No. 0920123784

March 19, 2020

EVERMORE CHEMICAL INDUSTRY CO., LTD.
BALANCE SHEETS
December 31, 2019 and 2018

Unit: Thousands New Taiwan Dollars

Code	ASSETS	December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash (Notes 4 and 6)	\$ 29,949	1	\$ 28,654	1
1150	Notes receivable (Notes 4, 5, 7, and 23)	76,797	3	70,215	3
1170	Trade receivables from unrelated parties, net (Notes 4, 5, and 7)	165,503	7	231,370	10
1180	Trade receivables from related parties, net (Notes 4, 5, 7, and 23)	72,509	3	106,312	4
1200	Other receivables (Note 23)	7,390	1	18,479	1
1220	Current tax assets (Notes 4 and 19)	2,249	-	2,249	-
1300	Inventories (Notes 4, 5, and 8)	266,821	11	300,874	13
1476	Other financial asset - current (Notes 4, 9, and 24)	1,586	-	1,570	-
1479	Other current assets	5,237	-	3,112	-
11XX	Total current assets	<u>628,041</u>	<u>26</u>	<u>762,835</u>	<u>32</u>
	NON-CURRENT ASSETS				
1550	Investment accounted for using the equity method (Notes 4 and 10)	1,038,705	42	960,545	40
1600	Property, plant, and equipment (Notes 4, 11, and 24)	606,200	25	648,268	27
1760	Real estate net investments (Notes 4 and 12)	1,243	-	1,393	-
1801	Net computer software (Note 4)	766	-	1,283	-
1840	Deferred tax assets (Notes 4 and 19)	11,111	-	5,662	-
1915	Prepayments for equipment	71,580	3	24,224	1
1920	Refundable deposits	248	-	248	-
1960	Prepayments for investments (Note 10)	87,561	4	-	-
15XX	Total non-current assets	<u>1,817,414</u>	<u>74</u>	<u>1,641,623</u>	<u>68</u>
1XXX	TOTAL	<u>\$ 2,445,455</u>	<u>100</u>	<u>\$ 2,404,458</u>	<u>100</u>
Code	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term bank borrowings (Notes 13 and 24)	\$ 468,715	19	\$ 390,410	16
2110	Short-term bills payable (Note 13)	129,867	5	129,975	6
2150	Notes payable (Note 23)	70,815	3	79,766	3
2170	Trade payables (Note 23)	88,045	4	149,965	6
2200	Other payables (Notes 14 and 23)	63,138	3	108,069	5
2230	Current tax liabilities (Notes 4 and 19)	13,608	1	-	-
2250	Provisions - current (Notes 4 and 15)	1,077	-	808	-
2322	Current portion of long-term bank borrowings (Notes 13 and 24)	54,483	2	34,664	2
2399	Other current liabilities- Other	4,869	-	3,445	-
21XX	Total current liabilities	<u>894,617</u>	<u>37</u>	<u>897,102</u>	<u>38</u>
	NON-CURRENT LIABILITIES				
2541	Long-term bank borrowings (Notes 13 and 24)	27,602	1	82,085	3
2570	Deferred tax liabilities (Notes 4 and 19)	58,086	2	43,615	2
25XX	Total non-current liabilities	<u>85,688</u>	<u>3</u>	<u>125,700</u>	<u>5</u>
2XXX	Total liabilities	<u>980,305</u>	<u>40</u>	<u>1,022,802</u>	<u>43</u>
	EQUITY				
3110	Ordinary share - par value of NT\$10, authorized shares of 120,000 thousand shares, issued capital of 99,388 thousand shares	993,880	41	993,880	41
3200	Capital surplus	98,017	4	98,017	4
	Retained earnings				
3310	Legal reserve	202,841	8	201,804	8
3320	Special reserve	2,169	-	10,054	1
3350	Unappropriated earnings	189,853	8	80,070	3
3400	Other equity	(21,610)	(1)	(2,169)	-
3XXX	Total equity	<u>1,465,150</u>	<u>60</u>	<u>1,381,656</u>	<u>57</u>
	TOTAL	<u>\$ 2,445,455</u>	<u>100</u>	<u>\$ 2,404,458</u>	<u>100</u>

Chairman: Wen-Chieh Ho

Manager: Chng Tze Huang

Chief Accountant: Hsiang-Li Chen

EVERMORE CHEMICAL INDUSTRY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

Year ended December 31, 2019 and 2018

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

Code		2019		2018	
		Amount	%	Amount	%
4000	NET SALES REVENUES (Notes 4 and 23)	\$ 1,401,543	100	\$ 1,722,183	100
5000	COST OF GOODS SOLD (Notes 8, 18, and 23)	<u>1,170,905</u>	<u>84</u>	<u>1,604,862</u>	<u>93</u>
5900	GROSS PROFIT	230,638	16	117,321	7
5910	UNREALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES	(5,451)	-	(3,804)	-
5920	REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES	<u>3,804</u>	<u>-</u>	<u>3,561</u>	<u>-</u>
5950	REALIZED GROSS PROFIT	<u>228,991</u>	<u>16</u>	<u>117,078</u>	<u>7</u>
	OPERATING EXPENSES (Note 18)				
6100	Selling and marketing expenses	50,779	4	48,725	3
6200	General and administrative expenses	62,786	4	42,754	2
6300	Research and development expenses	46,112	3	43,790	3
6450	Expected credit loss (Note 4, 7)	<u>20,990</u>	<u>2</u>	<u>-</u>	<u>-</u>
6000	Total operating expenses	<u>180,667</u>	<u>13</u>	<u>135,269</u>	<u>8</u>
6900	PROFIT (LOSS) FROM OPERATIONS	<u>48,324</u>	<u>3</u>	(<u>18,191</u>)	(<u>1</u>)
	NON-OPERATING INCOME AND EXPENSES				
7070	Share of profit of subsidiaries and associates (Note 4)	102,825	7	30,084	2
7100	Interest income	207	-	124	-
7190	Other income (Note 23)	2,967	-	2,159	-
7230	Foreign exchange net gain (loss) (Note 18)	(654)	-	10,211	1

(Continued)

(Continued from previous page)

Code		2019		2018	
		Amount	%	Amount	%
7510	Interest expenses (Note 23)	(\$ 8,246)	-	(\$ 9,133)	(1)
7590	Other expenses (Note 18)	(661)	-	(694)	-
7000	Total non-operating income and expenses	<u>96,438</u>	<u>7</u>	<u>32,751</u>	<u>2</u>
7900	PROFIT BEFORE INCOME TAX	144,762	10	14,560	1
7950	INCOME TAX EXPENSE (Notes 4 and 19)	<u>26,919</u>	<u>2</u>	<u>4,193</u>	-
8200	NET PROFIT FOR THE YEAR	<u>117,843</u>	<u>8</u>	<u>10,367</u>	<u>1</u>
	OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(23,018)	(1)	10,611	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note 19)	<u>3,577</u>	-	(<u>2,726</u>)	-
8300	Other comprehensive income (loss) for the year, net income tax	(<u>19,441</u>)	(1)	<u>7,885</u>	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 98,402</u>	<u>7</u>	<u>\$ 18,252</u>	<u>1</u>
	EARNINGS PER SHARE (Note 20)				
9710	Basic	<u>\$ 1.19</u>		<u>\$ 0.10</u>	
9810	Diluted	<u>\$ 1.18</u>		<u>\$ 0.10</u>	

Chairman: Wen-Chieh Ho

Manager: Chng-Tze Huang

Chief Accountant: Hsiang-Li Chen

EVERMORE CHEMICAL INDUSTRY CO., LTD.

STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2019 and 2018

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

Code		Ordinary Shares	Capital Surplus (N o t e 1 7)	R e t a i n e d E a r n i n g s (N o t e 1 7)		Unappropriated E a r n i n g s (N o t e 1 9)	Exchange differences on translating the financial statements of foreign operations	T o t a l E q u i t y
				Legal Reserve	Special Reserve			
A1	Balance on January 1, 2018	\$ 993,880	\$ 98,017	\$ 195,534	\$ -	\$ 135,721	(\$ 10,054)	\$ 1,413,098
	Appropriation of 2017 earnings							
B1	Legal reserve	-	-	6,270	-	(6,270)	-	-
B3	Special reserve	-	-	-	10,054	(10,054)	-	-
B5	Cash dividends distributed by the Company - NT\$ 0.5 per share	-	-	-	-	(49,694)	-	(49,694)
D1	Net profit for the year ended December 31, 2018	-	-	-	-	10,367	-	10,367
D3	Other comprehensive income for the year ended December 31, 2018, net of income tax	-	-	-	-	-	7,885	7,885
D5	Total comprehensive income for the year ended December 31, 2018	-	-	-	-	10,367	7,885	18,252
Z1	BALANCE ON DECEMBER 31, 2018	993,880	98,017	201,804	10,054	80,070	(2,169)	1,381,656
	Distribution of 2018 consolidated net income:							
B1	Legal reserve	-	-	1,037	-	(1,037)	-	-
B5	Cash dividend – NT\$0.15 per share	-	-	-	-	(14,908)	-	(14,908)
B17	Reversal of special reserve	-	-	-	(7,885)	7,885	-	-
D1	2019 net income	-	-	-	-	117,843	-	117,843
D3	2019 other comprehensive profit and loss after tax	-	-	-	-	-	(19,441)	(19,441)
D5	2019 total current comprehensive profit and loss	-	-	-	-	117,843	(19,441)	98,402
Z1	Balance on December 31, 2019	\$ 993,880	\$ 98,017	\$ 202,841	\$ 2,169	\$ 189,853	(\$ 21,610)	\$ 1,465,150

Chairman: Wen-Chieh Ho

Manager: Chng-Tze Huang

Chief Accountant: Hsiang-Li Chen

EVERMORE CHEMICAL INDUSTRY CO., LTD.

INDIVIDUAL CASH FLOW STATEMENT

For the year ended December 31, 2019 and 2018

Unit: Thousands New Taiwan Dollars

Code		2019	2018
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Income before tax	\$ 144,762	\$ 14,560
A20000	Adjustments for:		
A20100	Depreciation expenses	59,292	58,666
A20200	Amortization expenses	1,231	1,245
A20300	Expected credit loss	20,990	-
A20900	Interest fees	8,246	9,133
A21200	Interest income	(207)	(124)
A22300	Share of profit of subsidiaries and associates	(102,825)	(30,084)
A22500	Loss (gain) on disposal of property, plant, and equipment	6	(48)
A23700	(Reversal of) impairment loss on non-financial assets	(11,667)	14,191
A23900	UNREALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES	1,647	243
A24100	Foreign exchange losses (gains)	(258)	3,056
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(6,582)	3,039
A31150	Trade receivables	75,422	54,835
A31180	Other receivables	2,727	1,638
A31200	Inventories	45,720	29,226
A31240	Other current assets	(2,125)	1,776
A32130	Notes payable	(8,951)	(8,174)
A32150	Trade payables	(61,543)	(49,439)
A32180	Other payables	15,259	(9,395)
A32200	Provisions	269	(627)
A32230	Other current liabilities	1,424	(2,357)
A33000	Cash generated from operations	182,837	91,360
A33100	Interest received	191	108
A33300	Interest paid	(8,255)	(9,346)
A33500	Income tax paid	(712)	(5,456)
AAAA	Net cash flow from operating activities	174,061	76,666

(Continued)

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C o d e		2019	2018
	CASH FLOW FROM INVESTING ACTIVITIES		
B02000	Increase in prepayments for investments	(\$ 87,561)	\$ -
B02700	Payments for property, plant, and equipment	(9,649)	(7,957)
B02800	Proceeds from disposal of property, plant, and equipment	104	48
B03700	Increase in refundable deposits	-	(237)
B03800	Decrease in refundable deposits	-	12
B04400	Decrease in other receivables due from related parties	8,265	687
B04500	Payments for intangible assets	(714)	(1,151)
B07100	Increase in prepayments for equipment	(55,922)	(27,781)
B07600	Dividend received	<u>-</u>	<u>20,759</u>
BBBB	Net cash used in investing activities	(<u>145,477</u>)	(<u>15,620</u>)
	CASH FLOW FROM FINANCING ACTIVITIES		
C00100	Proceeds from short-term borrowings	2,285,900	1,712,973
C00200	Repayments of short-term borrowings	(2,207,494)	(1,749,988)
C00500	Proceeds (repayments) from short-term bills payable	(108)	49
C01700	Repayments of long-term borrowings	(34,664)	(34,664)
C03800	Increase (decrease) in other payables due to related parties	(56,015)	31,670
C04500	Dividends paid to owners of the Company	(<u>14,908</u>)	(<u>49,694</u>)
CCCC	Net cash flow used in financing activities	(<u>27,289</u>)	(<u>89,654</u>)
EEEE	NET INCREASE (DECREASE) IN CASH	1,295	(28,608)
E00100	CASH AT THE BEGINNING OF THE YEAR	<u>28,654</u>	<u>57,262</u>
E00200	CASH AT THE END OF THE YEAR	<u>\$ 29,949</u>	<u>\$ 28,654</u>

Chairman: Wen-Chieh Ho

Manager: Chng-Tze Huang

Chief Accountant: Hsiang-Li Chen

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

As of 2019 (from January 1 to December 31, 2019), in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” if the companies required to be included in the consolidated financial statements of affiliates under these Criteria are all the same as companies required to be included in the consolidated financial statements of the parent and subsidiary companies as provided in IFRS 10, and if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it is not necessary to prepare separate consolidated financial statements for affiliates.

We hereby declare the above statement,

Evermore Chemical Industry Co., Ltd.

Chairman: Wen-Chieh Ho

2020 March 19

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Evermore Chemical Industry Co., Ltd.:

Audit Opinion

We have audited the accompanying consolidated balance sheets of Evermore Chemical Industry Co., Ltd. and its subsidiaries (the "Group") for December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity, and of cash flow for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other independent accountants, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group for December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flow for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements of the year 2019. 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.

Key audit matters for the Group's 2019 consolidated financial statements are stated as follows:

Impairment Assessment of Trade Receivables

The impairment assessment of trade receivables is based on the management's assumptions about risk of default and expected loss rates, and the subjective estimates of future cash flow. Where the actual future cash inflows are less than the carrying amount of assets, a material impairment loss may arise. Considering the management's significant accounting judgments, estimates, and significant accounts receivable balances, the impairment assessment of trade receivables is a key audit matter. Refer to Notes 4, 5, and 7 to the accompanying consolidated financial statements for the accounting policies related to disclosures on accounts receivable.

Our key audit procedures performed in respect of the above matter included the following:

1. Obtain an understanding and assess the design and effectiveness of the Company's internal control related to the impairment of trade receivables.

2. Understand the management's policy on the impairment of trade receivables, and check the correctness of the aging of trade receivables.
3. Review the reasonableness of the management's assessment on expected loss rates for calculating the adequacy of recognizing impairment loss, and for verifying the possibility of recovering outstanding receivables after the audit period.

Valuation of Inventories

Due to frequent fluctuations in international crude oil prices, fierce market competition, and rapid technological changes in the chemical industry, the net realizable value decisions for the assessment data related to the lower of inventory cost and net realizable value at the reporting period have a greater impact on the financial statements. Since determining the net realizable value of inventory involves more estimations, the valuation of inventories is a key audit procedure. Refer to Notes 4, 5, and 8 to the accompanying consolidated financial statements for the accounting policies related to disclosures on inventory.

Our key audit procedures performed in respect to the impairment assessment of accounts receivable included the following:

1. We understood and tested whether management managed the inventory of normal and stagnant goods under appropriate control.
2. We obtained assessment data related to the low inventory cost and net realizable value prepared by the management, extracted the estimated selling price information to the most recent sales record, and assessed the basis and reasonableness of the management's estimated net realizable value.
3. We reviewed the inventory status and assessed the appropriateness of depreciation losses for obsolete or defective goods in inventory carried out at the end of the year.

Other Matters

Evermore Chemical Industry Co., Ltd. has prepared financial statements for the years ended December 31, 2019 and 2018. The audit report from the accountants are also on file for reference.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue operations, disclosing related matters, as well as continuing operations with the basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no feasible alternative but to do so.

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

Auditors' Responsibilities for the Audit of Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2019 consolidated financial statements 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.

Deloitte Taiwan
CPA Shu-Ching Chiang

CPA Li-Tung Wu

Approval reference of the Financial
Supervisory Commission
Jin-Guan-Zheng-Shen-1000028068

Approval reference of the Securities and
Futures Bureau
Tai-Tsai-Cheng (VI) No. 0920123784

March 19, 2020

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2019 and 2018

Unit: Thousands New Taiwan Dollars

Code	ASSETS	December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 322,636	11	\$ 236,825	8
1150	Notes receivable (Notes 4, 5, and 7)	120,754	4	136,458	5
1170	Trade receivables from unrelated parties, net (Notes 4, 5, and 7)	710,778	25	799,508	27
1180	Trade receivables from related parties, net (Notes 4, 5, 7, and 26)	65,043	2	92,886	3
1200	Other receivables	11,430	-	19,589	1
1220	Current income tax assets (Notes 4 and 22)	2,385	-	8,079	-
130X	Inventories (Notes 4, 5, and 8)	600,250	21	694,361	23
1410	Prepayments (Notes 15)	30,338	1	38,240	1
1476	Other financial assets – current (Notes 4, 9, and 27)	1,586	-	1,570	-
1479	Other current assets	1,109	-	587	-
11XX	Total current assets	<u>1,866,309</u>	<u>64</u>	<u>2,028,103</u>	<u>68</u>
	NON-CURRENT ASSETS				
1550	Investment accounted for using the equity method (Notes 4 and 11)	778	-	2,990	-
1600	Property, plant, and equipment (Notes 4, 12, and 27)	821,195	28	890,423	30
1755	Right-of-use assets (Notes 4 and 13)	17,473	1	-	-
1760	Investment property, net (Notes 4 and 14)	1,243	-	1,393	-
1780	Intangible assets (Note 4)	3,255	-	4,247	-
1840	Deferred income tax assets (Notes 4 and 22)	19,870	1	11,827	-
1915	Prepayments for equipment	75,750	3	24,742	1
1920	Refundable deposits	9,649	-	1,525	-
1960	Prepayments for investments (Note 11)	87,561	3	-	-
1985	Long-term prepaid rent (Notes 4 and 15)	-	-	17,861	1
15XX	Total non-current assets	<u>1,036,774</u>	<u>36</u>	<u>955,008</u>	<u>32</u>
1XXX	TOTAL	<u>\$ 2,903,083</u>	<u>100</u>	<u>\$ 2,983,111</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short term borrowings (Notes 16 and 27)	\$ 714,136	25	\$ 781,947	26
2110	Short-term notes and bills payable (Note 16)	129,867	4	129,975	5
2150	Notes payable	71,516	2	97,998	3
2170	Accounts payable (Note 26)	179,152	6	278,609	9
2200	Other payables (Notes 17 and 26)	140,538	5	105,876	4
2230	Current income tax liabilities (Notes 4 and 22)	19,875	1	12,561	1
2250	Provisions – Current (Notes 4 and 18)	1,077	-	808	-
2322	Long-term borrowings due within one year (Notes 16 and 27)	54,483	2	34,664	1
2399	Other current liabilities- Other	16,028	1	9,433	-
21XX	Total current liabilities	<u>1,326,672</u>	<u>46</u>	<u>1,451,871</u>	<u>49</u>
	NON-CURRENT LIABILITIES				
2541	Long-term borrowings (Notes 16 and 27)	27,602	1	82,085	3
2570	Deferred income tax liabilities (Notes 4 and 22)	83,228	3	67,005	2
2645	Guarantee deposits	431	-	494	-
25XX	Total non-current liabilities	<u>111,261</u>	<u>4</u>	<u>149,584</u>	<u>5</u>
2XXX	Total liabilities	<u>1,437,933</u>	<u>50</u>	<u>1,601,455</u>	<u>54</u>
	EQUITY				
3110	Ordinary share - par value of NT\$10, authorized shares of 120,000 thousand shares, issued capital of 99,388 thousand shares	993,880	34	993,880	33
3200	Capital surplus	98,017	3	98,017	3
	Retained earnings				
3310	Legal reserve	202,841	7	201,804	7
3320	Special reserve	2,169	-	10,054	-
3350	Unappropriated earnings	189,853	7	80,070	3
3400	Other equity	(21,610)	(1)	(2,169)	-
3XXX	Total equity	<u>1,465,150</u>	<u>50</u>	<u>1,381,656</u>	<u>46</u>
	TOTAL	<u>\$ 2,903,083</u>	<u>100</u>	<u>\$ 2,983,111</u>	<u>100</u>

Chairman: Wen-Chieh Ho

Manager: Chng-Tze Huang

Chief Accountant: Hsiang-Li Chen

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended December 31, 2019 and 2018

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

Code		2019		2018	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 26)	\$ 3,174,698	100	\$ 3,675,769	100
5000	Operating costs (Notes 8, 21, 26)	<u>2,526,539</u>	<u>79</u>	<u>3,233,202</u>	<u>88</u>
5900	GROSS PROFIT	<u>648,159</u>	<u>21</u>	<u>442,567</u>	<u>12</u>
	Operating expenses (Note 21)				
6100	Selling and marketing expenses	160,863	5	164,254	5
6200	General and administrative expenses	155,832	5	115,013	3
6300	Research and development expenses	78,645	2	74,124	2
6450	Expected credit loss (Notes 4 and 7)	<u>52,335</u>	<u>2</u>	<u>15,274</u>	<u>-</u>
6000	Total operating expenses	<u>447,675</u>	<u>14</u>	<u>368,665</u>	<u>10</u>
6900	PROFIT FROM OPERATIONS	<u>200,484</u>	<u>7</u>	<u>73,902</u>	<u>2</u>
	NON-OPERATING INCOME AND EXPENSES				
7060	Share of loss of associates (Note 4)	(1,089)	-	(3,338)	-
7100	Interest income	1,099	-	1,215	-
7190	Other income (Note 26)	5,381	-	10,095	-
7210	Gains from disposal of property, plant, and equipment (Note 4)	113	-	48	-
7230	Foreign currency exchange losses (Note 21)	(11,297)	-	(6,883)	-
7510	Interest fees	(18,090)	(1)	(19,057)	(1)
7590	Miscellaneous expenses (Note 21)	(<u>1,540</u>)	<u>-</u>	(<u>1,817</u>)	<u>-</u>
7000	Total non-operating income and expenses	(<u>25,423</u>)	(<u>1</u>)	(<u>19,737</u>)	(<u>1</u>)

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Code		2019		2018	
		Amount	%	Amount	%
7900	PROFIT BEFORE INCOME TAX	\$ 175,061	6	\$ 54,165	1
7950	Income tax expense (Notes 4 and 22)	<u>57,218</u>	<u>2</u>	<u>43,798</u>	<u>1</u>
8200	NET PROFIT FOR THE YEAR	<u>117,843</u>	<u>4</u>	<u>10,367</u>	<u>-</u>
	OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(23,018)	(1)	10,611	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 22)	<u>3,577</u>	<u>-</u>	(<u>2,726</u>)	<u>-</u>
8300	Other comprehensive income (loss) for the year, net income tax	(<u>19,441</u>)	(<u>1</u>)	<u>7,885</u>	<u>-</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 98,402</u>	<u>3</u>	<u>\$ 18,252</u>	<u>-</u>
	Earnings per share (Note 23)				
9750	Basic	<u>\$ 1.19</u>		<u>\$ 0.10</u>	
9850	Diluted	<u>\$ 1.18</u>		<u>\$ 0.10</u>	

Chairman: Wen-Chieh Ho

Manager: Chng-Tze Huang

Chief Accountant: Hsiang-Li Chen

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2019 and 2018

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

Code		E	Q	U	I	T	Y	Total Equity
		Ordinary Shares	Capital Surplus (N o t e 2 0)	R e t a i n e d Legal Reserve	e a r n i n g s Special Reserve	(N o t e 2 0) Unappropriated E a r n i n g s	Exchange differences on translating the financial statements of foreign operations	
A1	Balance on January 1, 2018	\$ 993,880	\$ 98,017	\$ 195,534	\$ -	\$ 135,721	(\$ 10,054)	\$ 1,413,098
	Appropriation of 2017 earnings							
B1	Legal reserve	-	-	6,270	-	(6,270)	-	-
B3	Special reserve	-	-	-	10,054	(10,054)	-	-
B5	Cash dividends distributed by the Company - NT\$ 0.5 per share	-	-	-	-	(49,694)	-	(49,694)
D1	Net profit for the year ended December 31, 2018	-	-	-	-	10,367	-	10,367
D3	Other comprehensive income for the year ended December 31, 2018, net of income tax	-	-	-	-	-	7,885	7,885
D5	Total comprehensive income for the year ended December 31, 2018	-	-	-	-	10,367	7,885	18,252
Z1	BALANCE ON DECEMBER 31, 2018	993,880	98,017	201,804	10,054	80,070	(2,169)	1,381,656
	Distribution of 2018 consolidated net income:							
B1	Legal reserve	-	-	1,037	-	(1,037)	-	-
B5	Cash dividend – NT\$0.15 per share	-	-	-	-	(14,908)	-	(14,908)
B17	Reversal of special reserve	-	-	-	(7,885)	7,885	-	-
D1	2019 net income	-	-	-	-	117,843	-	117,843
D3	2019 other comprehensive profit and loss after tax	-	-	-	-	-	(19,441)	(19,441)
D5	2019 total current comprehensive profit and loss	-	-	-	-	117,843	(19,441)	98,402
Z1	Balance on December 31, 2019	\$ 993,880	\$ 98,017	\$ 202,841	\$ 2,169	\$ 189,853	(\$ 21,610)	\$ 1,465,150

Chairman: Wen-Chieh Ho

Manager: Chng-Tze Huang

Chief Accountant: Hsiang-Li Chen

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2019 and 2018

Unit: Thousands New Taiwan Dollars

C o d e		2019	2018
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Income before tax	\$ 175,061	\$ 54,165
A20000	Adjustments for:		
A20100	Depreciation expenses	99,575	97,319
A20200	Amortization expenses	1,706	1,708
A20300	Expected credit loss	52,335	15,274
A20900	Interest fees	18,090	19,057
A21200	Interest income	(1,099)	(1,215)
A22300	Share of loss of associates	1,089	3,338
A22500	Gain on disposal of property, plant, and equipment	(113)	(48)
A23700	(Reversal of) impairment loss on non-financial assets	(2,007)	16,396
A24100	Foreign exchange losses (gains)	3,411	(1,426)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	15,704	29,022
A31150	Trade receivables	65,145	(77,541)
A31180	Other receivables	8,131	(2,635)
A31200	Inventories	96,626	(42,942)
A31230	Prepayments	7,145	(75)
A31240	Other current assets	(522)	(1,173)
A32130	Notes payable	(26,482)	(3,808)
A32150	Trade payables	(98,550)	(7,046)
A32180	Other payables	34,621	(4,963)
A32200	Provisions	269	(627)
A32230	Other current liabilities	6,595	322
A33000	Cash generated from operations	456,730	93,102
A33100	Interest received	1,083	1,199
A33300	Interest paid	(18,135)	(19,274)
A33500	Income tax paid	(31,168)	(35,153)
AAAA	Net cash flow from operating activities	408,510	39,874

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C o d e		2019	2018
	CASH FLOW FROM INVESTING ACTIVITIES		
B02000	Increase in prepayments for investments	(\$ 87,561)	\$ -
B02700	Payments for property, plant, and equipment	(23,690)	(19,705)
B02800	Proceeds from disposal of property, plant, and equipment	313	48
B03700	Increase in refundable deposits	(8,805)	(264)
B03800	Decrease in refundable deposits	24	54
B04500	Payments for intangible assets	(714)	(1,244)
B07100	Increase in prepayments for equipment	(60,090)	(28,530)
BBBB	Net cash used in investing activities	(180,523)	(49,641)
	CASH FLOW FROM FINANCING ACTIVITIES		
C00100	Proceeds from short-term borrowings	5,412,650	4,421,898
C00200	Repayments of short-term borrowings	(5,477,488)	(4,438,813)
C00500	Net decrease in short-term notes and bills payable	(108)	(19,932)
C01700	Repayments of long-term borrowings	(34,664)	(34,664)
C04500	Dividends paid to owners of the Company	(14,908)	(49,694)
CCCC	Net cash flow used in financing activities	(114,518)	(121,205)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(27,658)	19,926
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	85,811	(111,046)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	236,825	347,871
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 322,636	\$ 236,825

Chairman: Wen-Chieh Ho

Manager: Chng-Tze Huang

Chief Accountant: Hsiang-Li Chen

Appendix 6. Earnings Distribution Table

EVERMORE CHEMICAL INDUSTRY CO., LTD.

Statement for Distribution of Earnings

2019

Unit: NT\$

Item	Amount	
	Subtotal	Total
Earnings undistributed in the previous year		72,009,793
2019 net profit after tax	117,842,028	
Less: provision for 10% of statutory surplus reserves	(11,784,203)	
Less: Special surplus reserves listed in accordance with the law	(19,441,040)	
		86,616,785
Earnings distributed for this period		158,626,578
Distribution:		
Dividends paid to shareholders - cash dividends (Note 2)		64,602,200
Earnings undistributed at the end of the reporting period		94,024,378

Notes:

1. The Board of Directors is authorized by the shareholders to fix the ex dividend date after the payment of cash dividends is approved at the annual general meeting by way of resolution.
2. Currently based on the issue of 99,388,000 shares, a cash dividend of NT\$0.65 per share is allocated.
(The cash dividends distributed are round down to NT\$ 1. Therefore, the total amount of cash dividends is subject to the actual amount distributed.)

Chairman: Ho Wen Chieh

Manager: Huang Chng Tze

Chief Accountant: Chen Hsiang Li

Appendix 7, "Articles of Association" Comparison Table of Amendments

EVERMORE CHEMICAL INDUSTRY CO., LTD.

Articles of Association, Comparison Table of Amendments

March 19, 2020 Board of Directors

Revised Provisions	Original Provisions	Description
<p>Article 17: The Company has seven <u>to eleven</u> directors and three supervisors, all of whom are elected at the meeting of shareholders from capable persons. They will serve for a term of three years, and may be re-elected following appointment. The directors and supervisors shall be elected by way of nomination of candidates. The number of independent directors in the Board of Directors shall be no less than <u>three</u> persons, <i>i.e.</i> one-fifth of the number of directors to be elected.</p>	<p>Article 17: The Company has seven directors and three supervisors, all of whom are elected at the meeting of shareholders from capable persons. They will serve for a term of three years, and may be re-elected following appointment. The directors and supervisors shall be elected by way of nomination of candidates. The number of independent directors in the Board of Directors shall be no less than <u>two</u> persons, <i>i.e.</i> one-fifth of the number of directors to be elected.</p>	<p>The Company plans to re-elect and set up an audit committee in 2021 Substitute supervisor . Therefore, it plans to increase the number of directors.</p>
<p>Article 33: These Articles of Association were established on April 24, 1989....,The 21st amendment was made on June 22, 2015. The 22nd amendment was made on on June 23, 2016. The 23rd amendment was made on June 22, 2017. The 24th amendment was made on June 26, 2018, and the 25th amendment was made on June 27, 2019. <u>The 26th amendment was made on June 15, 2020.</u></p>	<p>Article 33: These Articles of Association were established on April 24, 1989, The 21st amendment was made on June 22, 2015. The 22nd amendment was made on June 23, 2016. The 23rd amendment was made on June 22, 2017. The 24th amendment was made on June 26, 2018, and the 25th amendment was made on June 27, 2019.</p>	<p>The revision dates are included.</p>

Appendix 8, “Rules of Procedure for Shareholder Meetings” Comparison Table of Amendments

EVERMORE CHEMICAL INDUSTRY CO., LTD.

Rules of Procedure for Shareholder Meetings, Comparison Table of Amendments

March 19, 2020

Revised Provisions	Original Provisions	Description
<p>Article 6: The chairman of the Board shall chair a general meeting if the meeting is convened by the Board of Directors. <u>Relevant bills (including temporary motions and amendments to the original bill) should be voted on.</u> Its agenda is set by the Board of Directors and the meeting should proceed according to the scheduled agenda; it cannot be changed without a resolution of the shareholders' meeting.</p> <p>(The second and third paragraphs)</p> <p>For motions and amendments or temporary motions proposed by shareholders, the chairman shall offer full explanation and discussion opportunities. When it is determined that a vote can be taken, a cessation of discussion must be announced and the matter shall be put to a vote, and <u>adequate voting time shall be arranged.</u></p> <p>(The fifth paragraph)</p>	<p>Article 6: The agenda of a general meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.</p> <p>(The second and third paragraphs)</p> <p>The proposed resolutions and amendments or Questions and Motions put forward by shareholders shall be sufficiently discussed and described by the chairman. The chairman may announce to end the discussion of any resolution and put it to the vote if he/she deems it appropriate.</p> <p>(The fifth paragraph)</p>	<p>Amended in accordance with Taiwan Securities Regulatory Commission Letter No. 1080024221 on January 2, 2020. To cooperate with listed OTC companies to fully implement electronic voting in 2018, and to implement the spirit of voting on a case-by-case basis, the first paragraph is amended.</p> <p>To avoid the shareholders meeting convener excessively limiting the voting time of shareholders such that shareholders are unable to vote and thus affect shareholders' exercise of voting rights, the fourth paragraph is amended.</p>
<p>Article 7: Shareholders holding more than one percent of the total issued shares shall be able to make proposals to the company in writing at the regular shareholders' meeting. <u>This shall be limited to one item; if there is more than one proposal, it shall not be included. A shareholder proposal proposed for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors.</u></p> <p>Prior to the date on which share transfer registration is suspended before the</p>	<p>Article 7: Shareholder(s) holding one percent or more of the total number of outstanding shares may propose in writing to the Company a proposal for discussion at a general meeting.</p> <p>Prior to the date on which share transfer is suspended before the convention of a</p>	<p>Second revision made in accordance</p>

<p>convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal <u>in writing or by way of electronic transmission</u>, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.</p> <p>The proposal of a shareholders deemed by the Board of Directors as excluded from any of the following circumstances shall be included in the agenda and the reasons for convening of the general meeting shall be stated therein:</p> <p><u>1.</u> Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders;</p> <p><u>2.</u> Where the number of shares of the Company in the possession of the shareholder making the said proposal is less than one percent (1%) of the total number of outstanding shares at the time when the share transfer is suspended by the company at the general meeting; and</p> <p><u>3.</u> Where the said proposal is not submitted by the deadline fixed in the public notice for accepting shareholders' proposals in the preceding paragraph.</p> <p><u>4. Proposed shareholder's proposal exceeds three hundred words (including punctuation).</u></p> <p>The Company shall, prior to the date of a general meeting, notify all the shareholders who have made proposals of the proposal screening results, and shall list in the meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders which are not included in the agenda of a general meeting, the cause of exclusion of such proposals shall be explained by the Board in the meeting minutes. There is no need to include such cause in the agenda or meeting minutes.</p>	<p>general meeting, the Company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the general meeting; and the period for accepting such proposals shall not be less than ten (10) days.</p> <p>The proposal of a shareholders deemed by the Board of Directors as excluded from any of the following circumstances shall be included in the agenda and the reasons for convening of the general meeting shall be stated therein:</p> <p>Where the said proposal cannot be settled or resolved by a resolution to be adopted at the general meeting;</p> <p>Where the number of shares of the Company in the possession of the shareholder making the said proposal is less than one percent (1%) of the total number of outstanding shares at the time when the share transfer is suspended by the company at the general meeting; and</p> <p>Where the said proposal is not submitted by the deadline fixed in the public notice for accepting shareholders' proposals in the preceding paragraph.</p> <p>Where one or more proposals are made by a shareholder, or a proposal is composed of more than three hundred words (including punctuation), or is not submitted in writing.</p> <p>The Company shall, prior to the date of a general meeting, notify all the shareholders who have made proposals of the proposal screening results, and shall list in the meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders which are not included in the agenda of a general meeting, the cause of exclusion of such proposals shall be explained by the Board in the meeting minutes. There is no need to include such cause in the agenda or meeting minutes.</p>	<p>with Article 172-1 of the Company Act.</p> <p>In accordance with relevant text revisions in the newly amended Company Act Article 172-1, paragraph 1.</p>
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<p>Article 11: When the company holds a shareholders meeting, <u>electronic means should be adopted and voting rights should be exercised in writing; when voting rights are exercised in writing or electronically, the method of exercise shall be stated in the notice of the shareholders' meeting.</u> Any shareholder who exercises voting rights in writing or in electronic form shall be deemed to have attended the general meeting in person. However, the Questions and Motions of the shareholders' meeting and the amendment of the original proposal are deemed to be abstentions, <u>therefore, the Company should avoid making temporary motions and amendments to the original motion.</u> Except as otherwise specified in the relevant laws or in the Articles of Association of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the general meeting.</p>	<p>Article 11: The votes may be exercised in writing or in electronic form when a general meeting is held by the Company. Any shareholder who exercises voting rights in writing or in electronic form shall be deemed to have attended the general meeting in person, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting. Except as otherwise specified in the relevant laws or in the Articles of Association of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the general meeting.</p>	<p>The first paragraph was amended in line with the full implementation of electronic voting by OTC listed companies since 2018.</p>
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Appendix 9. Schedule of Positions for Directors

Director	Concurrently held positions in other companies	
Ho Wen Chieh	Giant Star Trading Co., Ltd.	Chairman of Board
	Chem-Mat Technologies Co., Ltd.	Chairman of Board
	Aica Kogyo Co., Ltd.	Executive Director
Omura Nobuyuki	Aica Kogyo Co., Ltd.	Director Concurrently Managing Director
	West Tokyo Chemix Corporation	Director
Ebihara Kenji	Aica Kogyo Co., Ltd.	Director Concurrently Managing Director
	West Tokyo Chemix Corporation	Director
	Aica Asia Pacific Holding Pet.Ltd.	Director
Ichikawa Toyoaki	Aica Kogyo Co., Ltd.	Minister of Overseas Planning

Appendix 10. Shareholding by Directors and Supervisors

EVERMORE CHEMICAL INDUSTRY CO., LTD.

Shareholdings of directors and supervisors

Base date: April 17, 2020

Job title	Name	Number of shares held	
		Number of shares	% of shareholding
Chairman	Ho Wen Chieh	7,003,532	7.05%
Director	Aica Kogyo Company, Limited Representative: Tohdoh Satoshi	49,793,388	50.10%
Director	Aica Kogyo Company, Limited Representative: Ebihara Kenji		
Director	Aica Kogyo Company, Limited Representative: Omura Nobuyuki		
Director	Pou Chien Enterprise Co.,Ltd.. Representative: Tsai Nai Yung	3,352,771	3.37%
Independent director	Chen Chao Hwei	0	0.00%
Independent director	Higashiyama Mikio	0	0.00%
Number of shares held by all the directors		60,149,691	60.52%
Supervisors	Liu Ve- Tung	2,255,412	2.27%
Supervisors	Lu Hui Pin	2,196,193	2.21%
Supervisors	Su I- Hsiu	0	0.00%
Number of shares held by all the supervisors		4,451,605	4.48%

1. The paid-in capital of the Company is NTD 993,880,000, and 99,388,000 shares have been issued.
2. In accordance with Article 26 of Taiwan's Securities and Exchange Act, and Article 2(1)(2) of and Article 2(2) of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, since the Company has elected two (2) independent directors, the ratio of shareholding by the directors (other than such independent directors) and supervisors shall be reduced to 80%. The minimum number of shares to be held by all the directors of the Company shall be 7,951,040 shares, and the minimum number of shares held by all the supervisors shall be 795,104 shares. The number of shares held by the individual and all directors and supervisors on the shareholder register by the deadline for transfer of shares at the general meeting has been shown in the preceding table, and has met the standards for quota share set out in Article 26 of Taiwan's Securities and Exchange Act.

Article 1: In order to establish the Company's good board governance system, improve supervision functions, and strengthen management functions, the following shall be complied with in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."

Article 2. The Company 's Board of Directors has standardized its procedures, and the main contents of the proceedings, operating procedures, and minutes of the proceedings shall specify the matters, announcements, and other matters to be followed, which should be handled in accordance with the provisions of these procedures.

Article 3: The Company's Board of Directors shall be convened least once per quarter.

When the Board of Directors meeting is convened, the reasons should be stated and directors shall have notice seven days beforehand. However, in an emergency, the meeting must be called at any time.

The notice of a meeting of the Board of Directors may be sent to the directors and supervisors in writing, via E-mail or by fax transmission, indicating the reasons for convening such meeting.

For matters under Article 12 of these procedures, they shall be listed as the cause for convening, except for emergencies or other legitimate reasons; no temporary motions can be proposed.

Article 4: The Company's Board of Directors appoints the Accounting Department as the unit in charge of handling affairs.

The deliberation unit shall formulate the content of the board meeting and provide sufficient meeting materials which shall be sent together with the convening notice.

If the directors consider the meeting materials to be insufficient, they may request the deliberation unit to address this. If the directors consider the information for a proposal to be insufficient, they may postpone deliberation after a resolution of the board of directors.

Article 5: When convening the board of directors of the company, a signature book should be kept for the attending directors to sign in for examination.

Directors should attend the board of directors meeting in person. If one cannot attend in person, he or she may entrust another director to attend in accordance with the Articles of Association of the Company, subject to the authorization of one person. Those who participate in the meeting by video are deemed to be present in person.

In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

Article 6: The meeting place and time of the board of directors of the company shall be at the place and office hours of the company or the place and time convenient for the directors to attend and suitable for the board meeting.

Article 7: The board of directors of the company shall be convened by the chairman and who shall

preside over the meeting as chairman. However, the first meeting of every term of the newly elected Board of Directors shall be convened and presided over by the Director who has received the largest number of votes after such election. If there are two or more persons with such convening rights, they shall elect from amongst themselves one person to convene and preside over the meeting.

When the chairman cannot exercise his duties, he shall be represented by a board member appointed by him. If no such appointment is made, board members will choose among themselves to represent him.

Article 8: When the board of directors of the company is convened, the deliberative affairs unit shall prepare relevant materials for the directors to check at any time.

The board of directors shall be convened and personnel of relevant departments or subsidiaries shall be notified to attend the meeting depending on the content of the proposal. When necessary, accountants, lawyers or other professionals may also be invited to attend the meeting to explain matters under discussion. However, they should be absent during discussion and voting.

The chairman of the board of directors shall announce the meeting when the meeting has been held and more than half of the directors are present. At the meeting time, if half of all directors are absent, the chairman may announce the postponement of the meeting. The number of postponements is limited to two. If the number is still insufficient after the second postponement, the chairman shall reconvene in accordance with the procedure stipulated in Article 3, Paragraph 2.

Article 9: The company's board of directors should utilize either sound or video recording for the entire meeting and retain this record for at least five years. This retention can be done electronically.

If a lawsuit arises concerning related resolutions by the board of directors before the expiry of the retention period specified in the preceding paragraph, the relevant audio and video recording materials should be kept until the end of the lawsuit.

The video conferencing materials of the video conference participants are part of the proceedings and should be properly maintained through the duration of the company's existence.

Article 10: The contents of the regular board of directors' meetings of the company should include at least the following items:

1. Management Presentation:
 - (1) Minutes of the last meeting and implementation.
 - (2) Important financial and business reports.
 - (3) Internal audit business reports.
 - (4) Other important matters.
2. Discussions:
 - (1) Discussions retained from the previous meeting.
 - (2) Matters scheduled for discussion at the current meeting.
3. Questions and Motions.

Article 11: The board of directors of the company shall proceed in accordance with the procedures set

out in the notice of the meeting. However, if more than half of the directors present agree, they may change it.

The chairman shall not announce the adjournment without the approval of more than half of the directors present.

During the meeting of the board of directors, if more than half of the directors present do not attend the meeting, upon the proposal of the directors present, the chairman shall announce the suspension of the meeting and shall apply the provisions of Article 8, Paragraph 3.

Article 12: The following matters should be discussed by the board of directors of the company:

1. The company's operating plan.
2. Annual financial report.
3. Establishing or revising internal controls in accordance with Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the Securities and Exchange Act).
4. According to Article 36-1 of the Securities and Exchange Act, stipulating or amending the handling procedures of major financial business activities of acquiring or disposing of assets, derivative commodity transactions, loaning of funds to others, and endorsing or providing guarantees for others.
5. Raising, issuing, or private placement of equity-type securities.
6. Appointment and removal of the head of finance, accounting or internal audit.
7. Donations to related parties or significant donations to non-related parties. However, charitable donations for emergency relief due to major natural disasters may be requested to be approved by the board of directors next time.
8. According to Article 14-3 of the Securities and Exchange Act, other matters that should be decided by the shareholders' meeting or proposed by the board of directors or important matters stipulated by the competent authority according to laws and regulations or Articles of Association.

The related parties referred to in paragraph 7 of the preceding paragraph refer to the related parties governed by the securities issuer's financial reporting standards; the term "significant donations to non-related persons" refers to the amount of each donation or the accumulated donation to the same target within one year of more than NT\$100 million or up to 1% of the net operating income of the financial report with accountant certification in the most recent year or more than 5% of the paid-in capital.

The term within one year mentioned in the preceding paragraph is based on the date of the current board meeting, and it is calculated retrospectively one year forward. Some of the resolutions passed by the board of directors are to be exempted.

Article 13: Independent directors shall be subject to the resolution of the board of directors regarding Article 14-3 of the Securities and Exchange Act, and independent directors shall attend in person, or shall be appointed by other independent directors to attend. If an independent director has objections or reservations, they should be stated in the minutes of the board meeting. If independent directors cannot attend the board of directors in person to express

their objections or reservations, except in the case of legitimate reasons, a written opinion should be issued in advance and this should also be stated in the minutes of the board meeting.

Article 14: Regarding the chairman's discussion of a motion, the chairman may announce to end the discussion of any resolution and put it to the vote if he / she deems it appropriate.

When the board of directors of the Company votes at a meeting, if the chairman consults all the directors present without objection, it shall be deemed to have passed, and its effectiveness shall be the same as a vote that has passed. If there is any objection after consultation with the chairman, the vote shall be withdrawn.

The voting method shall be decided by the chairman as per the following paragraphs, but when the participants have objections, they shall be decided by a majority opinion:

1. Voting by a show of hands or voting machine.
2. Roll call.
3. Casting ballots.

Article 15: Except as otherwise provided by the Securities and Exchange Act and the Company Act, a resolution of the board of directors meeting of the company shall be attended by more than half of the directors, and consent shall be obtained from more than half of the directors present.

When there are amendments or alternatives to the same bill, the chairman shall determine the order of voting with the original bill. However, if one of the cases is passed, the other motions will be considered negated and no further voting is required.

If it is necessary to set up review and counting staff for the voting of the bill, the chairman shall appoint them, but the reviewers shall have the status of directors. The results of the voting shall be reported on the spot and recorded.

Article 16: When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, a Director, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interests of the Company the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director.

Per the resolution of the Company's Board of Directors, where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

Article 17: The deliberations of the board of directors of the company shall be recorded into the meeting minutes, which shall record the following matters in detail:

1. The session (or year) and time and place of the meeting.
2. The name of the chairman.
3. The attendance of directors, including the names and number of attendants, those on leave, and absences.

4. The names and job titles of the attendees.
5. The name of the minutes taker.
6. Management Presentation.
7. Discussion items: Resolution methods and results of each resolution, summary of statements made by directors, supervisors, experts and other personnel, names of directors involved in the interests in accordance with the first paragraph of the preceding article, explanation of important contents of the interests, reasons for recusal or non-recusal, recusal circumstances, objections or reservations, and records or written statements and written opinions issued by independent directors in accordance with Article 13.
8. Questions and Motions: Proposer's name, resolution method and result of the resolution, summary of statements made by directors, supervisors, experts and other personnel, names of directors involved in the interests in accordance with the first paragraph of the preceding article, explanation of important contents of the interests, reasons for recusal or non-recusal, recusal circumstances, objections or reservations, and records or written statements and written opinions.
9. Other matters to be recorded.

For board meeting decisions, if an independent director has objections or reservations and there is a record or written statement, in addition to being stated in the proceedings, within two days from the date of the board of directors an announcement and declaration shall be made on the Market Observation Post System designated by the Financial Supervisory Commission.

Proceedings of the meeting must be signed or sealed by the chairman of the meeting and the recording staff and distributed to the directors and supervisors within 20 days after the meeting. Furthermore, they should be included in the company's important files and retained permanently at the company.

The production and distribution of the proceedings can be done electronically.

Article 18: In addition to the matters to be discussed by the board of directors under Article 12, the board of directors may authorize the chairman to exercise the functions and powers of the board of directors in accordance with laws or provisions of the company's Articles of Association:

1. Approve the contents of various important contracts.
2. Verification of real estate mortgage loans and other loans.
3. Verification of the contents of the company's general property and real estate purchases and disposals.
4. Approval of plans for capital increase or capital reduction record dates, cash dividend record dates, etc.

Article 19: Proceedings of the executive board meeting shall be governed by these rules.

Article 20: The establishment and amendment of the rules of procedure shall be approved by the board of directors of the company and shall be submitted to the shareholders' meeting.

Appendix 12. Company Articles of Association(Before Revision)

EVERMORE CHEMICAL INDUSTRY CO., LTD.

Articles

Chapter I General Principles

- Article 1: The Company is organized according to Taiwan's Company Act as a company limited by shares, and is named 日勝化工股份有限公司 (English name: EVERMORE CHEMICAL INDUSTRY CO., LTD).
- Article 2: The Company's business is as follows:
C801100 Manufacturing of synthetic resin and plastics
C802120 Manufacturing of industrial additives
C805010 Manufacturing of plastic leather, cloth, boards and tubular products
C801990 Manufacturing of other chemical materials
C802990 Manufacturing of other chemicals
F107170 Wholesale of industrial additives
F107200 Wholesale of chemical raw materials
F107990 Wholesale of other chemicals
F401010 International trade
ZZ99999 All business items that are not prohibited or limited by law, except for those that are subject to special approval
- Article 3: The Company is headquartered in Nantou County. If necessary, it may establish branch offices at home and abroad by the resolution of the Board of Directors.
- Article 4: The Company shall make announcements in such manner as set forth in the provisions of Article 28 of Taiwan's Company Act.
- Article 5: The transfer of investments by the Company is not subject to Article 13 of Taiwan's Company Act, and the Board of Directors is authorized to resolve on the matters relevant to transfer of investments.
- Article 6: The Company may deal with the external guarantees between its peers or affiliated enterprises for business needs based on the principle of reciprocity, and in accordance with the Company's procedures for endorsements & guarantees.

Chapter II Shares

- Article 7: The total capital of the Company is NT\$1.2 billion, the par value is NT\$10 per share, no shares have been issued, the Board of Directors is authorized to issue shares in installments.
- Article 8: The Company shall issue registered shares only. They shall be issued after being signed or sealed by three or more directors in accordance with the law. The shares issued by the Company are exempt from printing, but shall be registered with the securities centralized storage institutions.
- Article 9: The matters of the Company in respect of shares shall be handled in accordance with the Criteria Governing Handling of Stock Affairs by Public Companies promulgated by the competent authorities.
- Article 10: The transfer of shares shall be suspended within 60 days prior to the date of each general meeting, or within 30 days prior to the date of an extraordinary meeting, or within 5 days before the record date when the Company decides to distribute dividends and bonuses or other benefits.

Chapter III Shareholders' Meeting

- Article 11: The meetings of shareholders shall be divided into general meetings and extraordinary meetings. A general meeting shall be held once a year within six months after the end of each fiscal year. An extraordinary meeting shall be convened according to law when necessary.

- Article 12: When a shareholder is unable to attend the meeting for any reason, he/she shall issue a power of attorney issued by the Company, stating the scope of authorization and designating a proxy to attend on his/her behalf. In addition to the provisions of Article 177 of Taiwan's Company Act, the attendance of a shareholder at a meeting in proxy shall be subject to the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authorities.
- Article 13: At the time of a meeting of shareholders, the chairman of the Board shall be preside at the meeting. If the chairman of the Board is absent from the meeting, the chairman of the Board shall appoint one of the directors to act on his/her behalf. If not, the directors present shall elect one of their number to be chairman of the meeting.
- Article 14: Except as otherwise provided for by the Act, each shareholder of the Company has one vote for each share it owns.
- Article 15: Unless otherwise provided for by the Act, a resolution shall be adopted at a meeting of shareholders at which the shareholders representing a majority of outstanding shares are present by a majority of the votes represented by the attending shareholders.
- Article 16: The meeting minutes shall be prepared for the resolutions at a meeting of shareholders, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting is dissolved. The production and distribution of the minutes described in the preceding paragraph shall be subject to Article 183 of Taiwan's Company Act.

Chapter IV Directors and Supervisors

- Article 17: The Company has seven directors and three supervisors, all of whom are elected at the meeting of shareholders from capable persons. They will serve for a term of three years, and may be re-elected following appointment. The directors and supervisors shall be elected by way of nomination of candidates. The number of independent directors in the Board of Directors shall be no less than two persons, *i.e.* one-fifth of the number of directors to be elected.
- Article 18: Whenever a vacancy in the Board of Directors is up to one third of members or all of the supervisors are relieved of their office, the Board of Directors shall convene an ad hoc meeting within 60 days for by-election, and the term of office shall be limited to the original term.
- Article 19: When the term of office for a director or supervisor expires without re-election, the term of his/her office shall be extended until the re-elected director or supervisor takes office.
- Article 20: The Board of Directors shall be composed of directors, more than two-thirds of directors present at a meeting of the Board of Directors shall elect one of their number to be chairman of the Board by the majority of votes of the directors. The Board of Directors shall manage the Company's affairs in accordance with the Act, Articles, and the resolutions adopted at the meetings of shareholders and the Board of Directors. Without regard to operating profits and losses, the Company has to pay remuneration to the chairman of the Board, at such amount as determined by the Board of Directors authorized by the Company based on the chairman's level of participation in the Company's business operations and contribution to the Company, and with reference to the standard practice of the industry.
- Article 21: The Company's business policies and other important matters shall be resolved by the Board of Directors. Except to the extent that the first meetings of the Board are held in accordance with the provisions of Article 203 of Taiwan's Company Act, the rest of meetings are convened and chaired by the chairman of the Board. When the chairman of the Board is unable to perform his/her duties, he/she shall appoint one of the directors to act on his/her behalf. If not, the directors present shall elect one from them to be chairman of the meeting.

The notice of a meeting of the Board of Directors may be sent to the directors and supervisors in writing, via E-mail or by fax transmission, indicating the reasons for convening such meeting.

Article 22: The meetings of the Board of Directors, except as otherwise stipulated in Taiwan's Company Act, requires the attendance by a majority of the directors with unanimous consent of half or more of the attending directors. If a director is unable to attend the meeting for any reason, it shall issue a power of attorney, indicating the reasons for convening and the scope of authorization, to appoint another director to attend the meeting on his/her behalf, however, provided that only one person shall be appointed.

Article 23: The meeting minutes shall be prepared for the resolutions at a meeting of the Board, signed or sealed by the chairman, and distributed to the directors within 20 days after the meeting is dissolved.

Article 24: A supervisor shall, in addition to exercising the power of supervision in accordance with the law, may attend the meetings of the Board of Directors, but may not participate in the voting.

Article 25: When the directors and supervisors of the Company carry out the business for the Company, regardless of the operating profits and losses, the Company shall pay traffic allowance to them at such amount as determined by the Board of Directors. The remuneration for the directors and supervisors of the Company shall be determined by the Board of Directors based on their level of participation in the Company's business operations and contribution to the Company, and with reference to the standard practice of the industry.

The Company may take out insurance against the liability for damages to be assumed by the directors and supervisors within the scope of business during their tenure in accordance with the law.

As a director of the Company is also an employee of the Company, he/she shall be paid remuneration regardless of the operating profits and losses, at such amount as determined in accordance with the "Measures for Management of the Compensation for New Hires" of the Company and with reference to the standard practice of the industry.

Chapter V Managers and Staff

Article 26: The Company may have a manager for whom the appointment, dismissal and remuneration shall be handled in accordance with the provisions of Article 29 of Taiwan's Company Act.

Article 27: The Company may, by a resolution adopted by the Board of Directors in accordance with Article 22 of the Articles, appoint a consultant and important staff members.

Chapter VI Accounting

Article 28: The accounting year of the Company shall commence on January 1 of each year and expire on December 31 of that year, and final accounting shall be conducted at the end of each accounting year. The following documents shall be prepared by the Board of Directors and submitted at the general meeting for approval after being reviewed by supervisors within 30 days before the date of the general meeting: 1. Business Report; 2. Financial statements; and 3. Proposal for distribution of earnings or allowance for losses.

Article 29: If the Company makes profits in the year, 3% to 5% of the profits shall be reserved to pay employee remuneration and no more than 2% of the profits reserved to pay director and supervisor remuneration. However, if the Company has accumulated losses, the profits shall be reserved in advance to cover the losses.

The employees to whom the Company pays remuneration, issues new shares that

restrict employees' rights, issues subscription warrants, the acquired shares are transferred and who subscribes new shares issued by the Company include the employees of the affiliated companies that meet the conditions prescribed by the Board of Directors.

Article 29-1: If there are surpluses in the Company's final accounts, taxes and accumulated losses shall be paid out of such surpluses first, 10% of them shall be set aside as statutory surplus reserves, a provision for or reversal of special surplus reserves shall be made according to law, with the balance of such earnings (if any) paid to shareholders as dividends after a resolution is adopted at the general meeting.

Chapter VII Policy for Declaration of Dividends

Article 30: The Company is engaged in the manufacture and sale of PU resin. It is a technology-intensive, mature and profitable chemical industry. Due to the need for technological upgrading, it is possible for the Company to expand its factories in the next few years. With reference to the remaining dividend policy and to the extent meeting optimal capital budget and the requirements for dilution of earnings per share, the annual surpluses allocated per year account for at least 50% of the surpluses available for distribution in principle, when dividends are declared to shareholders, the proportion of cash dividends shall not be less than 25%.

Chapter VIII Supplementary Provisions

Article 31: The organizational procedures and the detailed rules of procedure for the Company shall be determined by the Board of Directors.

Article 32: The matters not covered by the Articles of Association shall be dealt with in accordance with the provisions of Taiwan's Company Act and other laws and regulations.

Article 33: These Articles were made effective as of April 24, 1989. The 1st amendment hereto was made on May 9, 1989; The 2nd amendment hereto was made on April 2, 1991; The 3rd amendment hereto was made on October 7, 1992; The 4th amendment hereto was made on November 29, 1994; The 5th amendment hereto was made on October 22, 1995; The 6th amendment hereto was made on June 9, 1996; The 7th amendment hereto was made on June 10, 1997; The 8th amendment hereto was made on August 15, 1997; The 9th amendment hereto was made on September 5, 1997; The 10th amendment hereto was made on June 17, 1998; The 11th amendment hereto was made on June 2, 1999; The 12th amendment hereto was made on May 24, 2000; The 13th amendment hereto was made on May 11, 2001; The 14th amendment hereto was made on April 16, 2002; The 15th amendment hereto was made on June 8, 2005; The 16th amendment hereto was made on June 19, 2006; The 17th amendment hereto was made on June 22, 2007; The 18th amendment hereto was made on June 12, 2008; The 19th amendment hereto was made on June 8, 2010; The 20th amendment hereto was made on June 12, 2012; The 21st amendment hereto was made on June 22, 2015; The 22nd amendment hereto was made on June 23, 2016; The 23rd amendment hereto was made on June 22, 2017, and the 24th amendment hereto was made on March 7, 2018, 25th amendment hereto was made on June 27, 2019.

EVERMORE CHEMICAL INDUSTRY CO., LTD.

Rules of Procedure for Shareholder Meetings

Made effective as of August 15, 1997

Fifth Amendment made on June 22, 2017

- Article 1: Unless otherwise provided for by the relevant laws and regulations or the Company's Articles of Association, the general meetings of the Company shall be held in accordance with these Procedural Rules.
- Article 2: The Company shall indicate the time for acceptance of registration for attendance by shareholders, the place of registration, and other matters needing attention in the notice of a general meeting.
- The time for the acceptance of registration for attendance by shareholders described in the preceding paragraph shall be at least 30 minutes before the start of a general meeting; the place of registration shall be clearly marked and appropriate qualified personnel shall be put in charge thereof.
- A shareholder shall attend the general meeting in person or in proxy (hereinafter referred to as the "Shareholders") with the attendance certificate, sign-in card or other certificate of attendance. The Company shall not arbitrarily require a shareholder to provide other supporting documents in addition to those under which a shareholder attends the general meeting. The proxy acting on behalf of the shareholder shall provide ID document for verification.
- The Company shall have a visitors' book for the attending shareholders to sign in, or the attending shareholders shall issue the sign-in cards instead.
- The Company shall prepare meeting minutes, annual reports, attendance certificates, speech notes, votes for the meeting and the relevant materials, which shall be made available to the attending shareholders. Where directors or supervisors are elected, such materials shall be accompanied by a ballot.
- If a shareholder is a government or legal person, the representative attending a general meeting is not limited to one person. When a legal person is entrusted to attend a general meeting, only one representative may be appointed to attend such meeting.
- Article 3: A general meeting shall be convened at the place where the Company is located or at such places convenient for attendance by shareholders and suitable for convention. The meeting shall not begin earlier than 9:00 a.m. or later than 3:00 p.m. The opinions of independent directors shall be taken into full consideration when the time and place of a meeting are determined.
- Article 4: The chairman of the Board shall chair a general meeting if the meeting is convened by the Board of Directors. In case the chairman is on leave or absent or cannot exercise his/her power and authority for any cause, the deputy chairman shall act on his/her behalf, if the Company has no deputy chairman or the deputy chairman is also on leave or absent or cannot exercise his/her power and authority for any cause, the chairman of the Board shall designate one of managing directors to act on his/her behalf; if the Company has no managing directors, a director shall be designated to chair the meeting. In the absence of such a designation, the managing directors or directors shall elect one of their number to be chairman of the meeting.
- Any managing director or a director acting on behalf of the chairman described in the preceding paragraph has served for more than six months and is familiar with the Company's financial position and business operations. If a director as a legal person acts on behalf of the chairman of a general meeting, such director shall also meet such requirements.
- If a general meeting is called by the Board of Directors, the meeting shall be chaired by the chairman of the Board in person, and be attended by half or more of the directors and at least one supervisor in person, and by one member of each functional committee in proxy, with the information on attendance recorded in the general meeting minutes.

If a general meeting is convened by any person entitled to convene the meeting other than a member of the Board, such person shall preside at the meeting. However, if there are two or more persons entitled to convene the meeting, the chairman of the meeting shall be elected from themselves.

The Company may appoint the designated counsel, CPA or other related persons to attend the meeting.

Article 5: The Company shall have the entire sign-in process, the process of a general meeting, and the voting and count of votes tape recorded or videotaped from the time of accepting the registration for attendance by shareholders.

These tapes shall be preserved for at least one year. If a shareholder institutes legal proceedings in accordance with Article 189 of Taiwan's Company Act, the relevant audio or video recordings shall be retained until the legal proceedings are concluded.

Article 6: The agenda of a general meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.

The above provision applies *mutatis mutandis* to the cases where the meeting is convened by any person, other than a member of the Board of Directors, who is entitled to convene such meeting.

Unless otherwise resolved at the general meeting, the chairman may not announce adjournment of the meeting before all the discussions (including Questions and Motions) listed in the agenda are resolved. However, in the event that the chairman adjourns a general meeting in violation of these Procedural Procedures, other members of the Board shall assist the shareholders present thereat in designation of, by a majority of votes represented by the shareholders attending the meeting, one person as chairman to continue the meeting.

The proposed resolutions and amendments or Questions and Motions put forward by shareholders shall be sufficiently discussed and described by the chairman. The chairman may announce to end the discussion of any resolution and put it to the vote if he/she deems it appropriate.

The shareholders cannot designate any other person as chairman and continue a general meeting in the same or other place after the meeting is adjourned.

Article 7: Shareholder(s) holding one percent or more of the total number of outstanding shares may propose in writing to the Company a proposal for discussion at a general meeting.

Prior to the date on which share transfer is suspended before the convention of a general meeting, the Company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the general meeting; and the period for accepting such proposals shall not be less than ten (10) days.

The proposal of a shareholders deemed by the Board of Directors as excluded from any of the following circumstances shall be included in the agenda and the reasons for convening of the general meeting shall be stated therein.

Where the said proposal cannot be settled or resolved by a resolution to be adopted at the general meeting.

Where the number of shares of the Company in the possession of the shareholder making the said proposal is less than one percent (1%) of the total number of outstanding shares at the time when the share transfer is suspended by the company at the general meeting; and

Where the said proposal is not submitted by the deadline fixed in the public notice for accepting shareholders' proposals in the preceding paragraph.

Where one or more proposals are made by a shareholder, or a proposal is composed of more than three hundred words (including punctuation), or is not submitted in writing.

The Company shall, prior to the date of a general meeting, notify all the shareholders who have made proposals of the proposal screening results, and shall list in the meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders which are not included in the agenda of a general meeting, the cause of exclusion of such proposals shall be explained by the Board in the

meeting minutes. There is no need to include such cause in the agenda or meeting minutes.

Article 8: Attendance at a general meeting shall be based on the number of shares. The number of shares held by the shareholders attending the meeting shall be calculated in accordance with the records of the visitors' book or attendance cards submitted by the shareholders, or the number of shares held by the shareholders who have exercised the voting rights in writing or in electronic form.

The chairman shall call a general meeting to order at the time scheduled for the meeting. If the number of shares represented by the shareholders present at the meeting has not yet constituted the quorum at the time scheduled for the meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times and meeting shall not be postponed for longer than one hour in the aggregate. If the number of one third of outstanding shares represented by the attending shareholders has not constituted the quorum after the meeting was postponed for two times, the chairman shall announce the meeting is dissolved.

If after two postponements, the number of shares represented by the attending shareholders has not constituted more than one third of outstanding shares, a tentative resolution may be passed Article 175 Paragraph 1 of the Taiwan's Company Act, and notified to shareholders for convening a general meeting within one month from the date of notification.

By the end of such meeting, if number of shares represented by the attending shareholders has already constituted more than one half of the outstanding shares, the chairman may put the tentative resolution to the vote at the general meeting again in accordance with Article 174 of the Taiwan's Company Act.

Article 9: When a shareholder present at the general meeting wishes to speak, a speech note shall be filled out with summary of the speech, the shareholder's account number (or the number of attendance certificate) and the account name of the shareholder. The sequence of speeches shall be decided by the chairman.

If any shareholder present at the general meeting submits a speech note but does not speak, no speech shall be deemed to have been made by such shareholder. In case the contents of the speech made by a shareholder are inconsistent with the contents of the speech note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman, each shareholder shall not speak more than twice concerning the same item, and each speech shall not last more than 5 minutes. In case the speech of any shareholder violates this Paragraph or exceeds the scope of the agenda, the chairman may stop the speech of such shareholder.

Unless otherwise permitted by the chairman and the speaking shareholder, no shareholder shall interrupt the speeches of the other shareholders, otherwise, the chairman shall stop such interruption.

If a corporate shareholder has designated two or more representatives to attend the general meeting, only one representative can speak for each discussion item.

After the speech of any attending shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 10: Voting at a general meeting shall be based on the number of shares.

The shares held by any shareholder without voting rights shall not be included in the total number of outstanding shares while voting on resolutions at the general meeting.

A Shareholder shall abstain from exercise of voting rights for himself/herself or on behalf of another shareholder in respect of any proposed matter for consideration at a general meeting if he/she bears personal interest therein that may conflict with and impair the interest of the Company.

The shares represented by the voting rights contained in the preceding paragraph shall not be counted in the number of votes of the shareholders present at the said meeting.

Article 11: The votes may be exercised in writing or in electronic form when a general meeting is held by the Company. Any shareholder who exercises voting rights in writing or in

electronic form shall be deemed to have attended the general meeting in person, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting.

Except as otherwise specified in the relevant laws or in the Articles of Association of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the general meeting.

- Article 12: The person(s) to check and count the ballots during votes on agenda items shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The votes cast at a general meeting or on election proposals shall be publicly counted at any general meeting venue, and the voting results (including statistical weight) shall be announced at the general meeting after the counting is finished, and placed on record.
- Article 13: If there is amendment to or substitute for an original proposal, the chairman shall decide on the sequence of voting for such proposal, the amendment or the substitute. However, if any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
- Article 14: If the agenda of a general meeting is not completed for a reason, the time for the general meeting may be postponed or the time for intermission may be set to the extent determined by the chairman in five days, without regard to Article 172 of the Taiwan's Company Act.
- Article 15: During the meeting, the chairman may, at his/her discretion, set time for intermission. In case of a *force majeure* event, the chairman may decide to temporarily suspend a general meeting and announce, depending on the situation, when the meeting will resume, or resume the meeting within five days by resolution of the shareholders present at the meeting, without further notice or public announcement.
- Article 16: The persons transacting affairs of the Meeting shall wear identification cards or badges. The chairman may direct inspectors or security guards to assist in keeping order at the meeting venue. Such inspectors or security guards shall wear badges or identification cards marked with "Inspectors" for identification purpose. For those shareholders who use microphones other than those supplied at the meeting venue may be refrained from speaking by the order of the chairman. Shareholders who violate the Procedural Rules and refuse to obey the instructions given by the chairman, the chairman may order inspectors or security guards to remove them from the meeting venue.
- Article 17: The shareholders attending the general meeting shall have the obligation to observe meeting rules, obey resolutions and maintain order at the meeting venue.
- Article 18: The matters not covered by these Procedural Rules shall be subject to Taiwan's Company Act, Securities and Exchange Act and other relevant regulations.
- Article 19: The Procedural Rules as well as any amendment hereto shall become effective as soon as adopted at the general meeting.



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