

**Stock Code: 1903**

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# **Shihlin Paper Co., Ltd.**

## **2023 Annual General Meeting of Shareholders'**

### **Meeting Agenda**

Date: June 5, 2023

Location: No. 32, Lane 266, Section 2, Zhishan Road, Shilin District, Taipei City  
(Chinchin Food and Fashion Garden Club)

Convention Method: Physical Convention of Shareholders' Meeting

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# Shihlin Paper Co., Ltd.

## Procedure for the 2023 Annual General Meeting of Shareholders

- I. Call the Meeting to Order
- II. Opening Speech by the Chairperson
- III. Reports
- IV. Ratification Items
- V. Discussion Items
- VI. Election Items
- VII. Questions and Motions
- VIII. Adjournment

# Shihlin Paper Co., Ltd.

## 2023 Annual General Shareholders' Meeting Agenda

Time: 9:00 a.m. on Monday, June 5, 2023

Location: No. 32, Lane 266, Section 2, Zhishan Road, Shilin District, Taipei City  
(Chinchin Food and Fashion Garden Club)

I. Call the Meeting to Order

II. Opening Speech by the Chairperson

III. Reports

1. 2022 Business Report

2. Endorsement/Guarantee and Financing Provided to Others As of the End of 2022

3. Audit Committee's Review Report on the 2022 Financial Statements

4. Amendment to the "Rules of Procedure of Board of Directors' Meetings" of the Company

5. Establishment of the "Procedures for Ethical Management and Guidelines for Conduct" of the Company

IV. Ratification Items

1. Ratification of 2022 Financial Statements and Business Report

2. Ratification of 2022 Deficit Compensation Statement

V. Discussion Items

1. Amendment to the "Articles of Incorporation" of the Company

2. Amendment to the "Rules of Procedure for Shareholders' Meeting" of the Company

VI. Election Items

Supplemental Election of One Director

VII. Questions and Motions

VIII. Adjournment

## **Reports**

### **<Report No. 1>**

Proposed by the Board of Directors

Proposal: 2022 Business Report, proposed for review.

Description: For the 2022 Business Report of the Company, please refer to Attachment 1 (pages 7 to 12).

### **<Report No. 2>**

Proposed by the Board of Directors

Proposal: Report on Endorsement/Guarantee and Financing Provided to Others As of the End of 2022, proposed for review.

Description: I. The amount of endorsement/guarantee provided by the Company to the subsidiary Sunshine Shihlin Development Co., Ltd.: NT\$800 million, with the actual amount of NT\$300 million drawn.

II. The amount of endorsement/guarantee provided by Sunshine Shihlin Development Co., Ltd. to subsidiary, Shihlin Environment Corporation: NT\$553 million, with the actual amount of NT\$553 million drawn.

III. The amount of financing provided by the Company to the subsidiary Sunshine Shihlin Development Co., Ltd.: NT\$200 million, with the actual amount of NT\$0 drawn.

IV. The amount of financing provided by the Company to the subsidiary Shihlin Environment Corporation: NT\$300 million, with the actual amount of NT\$0 drawn.

### **<Report No. 3>**

Proposed by the Board of Directors

Proposal: Audit Committee's Review Report on the 2022 Financial Statements, proposed for review.

Description: For the Audit Committee's Review Report of the 2022 Business Report, Financial Statements, Proposal for Earnings Distribution, please refer to Attachment 2 (page 13).

### **<Report No. 4>**

Proposed by the Board of Directors

Proposal: Report on Amendment to the "Rules of Procedure of Board of Directors' Meetings" of the Company, proposed for review.

Description: For the Comparison Table of Amendments to the "Rules of Procedure for Board of Directors' Meetings", please refer to Attachment 3 (pages 14 to 16).

**<Report No. 5>**

Proposed by the Board of Directors

Proposal: Report on Establishment of the “Procedures for Ethical Management and Guidelines for Conduct” of the Company, proposed for review.

Description: According to Tai-Zheng-Zhi-Li-Zi No. 1090002299 Letter of Taiwan Stock Exchange dated February 13, 2020, the Company has established the “Procedures for Ethical Management and Guidelines for Conduct”. Please refer to Attachment 4 for details (pages 17~22).

**Ratification Items**

**<Report No. 1>**

Proposed by the Board of Directors

Proposal: 2022 Financial Statements and Business Report, proposed for ratification.

Description: I. The Company’s standalone and consolidated financial statements for 2022, which have been audited by Yu-Ling Hung and Min-Chih Chuo, CPAs at Earnest & Co., together with the business report, were submitted to the Audit Committee for review in accordance with regulations, by which a written review report has been issued.

II. For the business report and statements, please refer to Attachment 1 (pages 7 to 12) and Attachment 5 (pages 23 to 39).

III. Please proceed to ratify them.

Resolution:

**<Report No. 2>**

Proposed by the Board of Directors

Proposal: 2022 Deficit Compensation Statement, proposed for ratification.

Description: I. The Company’s Deficit Compensation Statement for compensation of losses for 2022 prepared in accordance with the provisions of the Company Act and the Company’s Articles of Incorporation was approved by the Board of Directors, please refer to Attachment 6 (page 40).

II. Please proceed to ratify them.

Resolution:

## **Discussion Items**

### **<Report No. 1>**

Proposed by the Board of Directors

Proposal: Amendment to the “Articles of Incorporation” of the Company, proposed for approval.

Description: I. According to the amendment of Paragraph 1 of Article 172-2 of the Company Act, to provide greater flexibility to the shareholders’ meeting convention method of the Company, parts of the provisions of the Articles of Incorporation are amended to specify that virtual meeting or other methods announced by the central competent authority may be adopted for the convention of the shareholders’ meeting.

II. For the Comparison Table for Amendment to the “Articles of Incorporation” of the Company, please refer to Attachment 7 (page 41).

III. Please proceed to discuss and approve it.

Resolution:

### **<Report No. 2>**

Proposed by the Board of Directors

Proposal: Amendment to the “Rules and Procedures of Shareholders’ Meeting” of the Company, proposed for approval.

Description: I. According to the amendment of Article 172-2 and Article 356-8 of the Company Act, parts of the provisions of the Rules and Procedures of Shareholders’ Meeting are proposed for amendment.

II. For the Comparison Table for Amendment to the “Rules and Procedures of Shareholders’ Meeting” of the Company, please refer to Attachment 8 (pages 42~54).

III. Please proceed to discuss and approve it.

Resolution:

## **Election Items**

Proposed by the Board of Directors

Proposal: Supplemental Election of One Director, please proceed with the election.

Description: I. Corporate Director Taiwan Evervaliant Corp. resigned from the position of director on December 6, 2022, such that there is a vacancy in the board of directors. Accordingly, supplemental election is proposed to be held in the present shareholders’ meeting.

II. The term of office of the present supplemental election of directors is from June 5, 2023, to June 13, 2025.

III. According to the Articles of Incorporation of the Company and Article 192-1 of the Company Act, the election of directors of the Company adopts the candidate nomination system. For the Director Candidate Roster, please refer to Attachment 9 (page 55).

IV. Please proceed to elect.

Election results:

## **Questions and Motions**

## **Adjournment**

## Three. Attachments

Attachment 1

### Shihlin Paper Co., Ltd.

#### 2022 Business Report

#### I. 2022 Business Report

##### (I) Focus on the consumer goods market

##### 1. Baby Lion

- (1) The Company is currently dedicated to the consumer market. In response to the gradual increase in the utilization rate of wet wipes in the overall market, the Company has spared no effort to develop the Baby Lion products since 2022. In addition to the existing Baby Lion wet wipes, it has launched an anti-mosquito series and a baby washes series to expand its market share. In response to the pandemic, Baby Lion produces anti-pandemic protection products to protect the health of your family. We have entered the department store channel to enhance the depth of our brand, and we maintain our consistent high quality that is well recognized by consumers.
- (2) The Company's organization is adjusted, and performance is growing continuously and steadily while personnel training will be strengthened to increase the overall market share. The professional R&D team will also continue to develop more innovative extension products with high production value to meet market needs.

##### 2. Forest Beauty

- (1) The Company is currently dedicated to the consumer market. In response to the high usage rate of the facial masks, the Company spared no effort to develop the Forest Beauty facial mask products in 2022. In addition to the Forest Nut collection, we have developed a series of facial masks using Taiwanese tea leaves with natural plant extracts to enrich our product line and professionalism in a gradual way. The skincare products, including the new products of Forest Fruit series pomegranate polyphenol skincare product, Forest Beauty 14-day Renew series and the high-end new skincare products of Micro-gold Superconducting royal jelly peptide series are sold in major department stores and shopping malls across the country, and expanded to the international market. In 2022, due to the COVID-19 pandemic and the post-pandemic era at the later stage, Forest Beauty released essential oil facial masks suitable to the body and mind, allowing consumers to experience relaxation during home care. As for the expansion to the international market, the Company participated in the online beauty exhibition organized by the Taiwan External Trade Development Council of the Republic of China. The agency business of brands and the OEM business have continued to grow with increasing business opportunities. With the concept of the safe, effective, and harmless natural plant extracts, the brand of Forest Beauty has gradually expanded its market share. In addition, the Company also maintains high

quality products consistently, thereby receiving great recognition from consumers.

- (2) The Company's organization is adjusted and performance is growing continuously and steadily while personnel training will be strengthened to enhance their professional image. Their communication with distributors or customers is excellent professional. The R&D team will also continue to develop more innovative and extension products (skin care products) with high production value to meet market demand and to continue to expand market share and increase brand awareness.

(II) Consolidated financial receipt and expenditure and profitability in 2022

Unit: NTD thousand

Consolidated Statement of Comprehensive Income	2022	2021	Percentage of change %
Net operating income	165,058	326,024	(49.37)
Gross profit	76,145	176,501	(56.86)
Net operating loss	(103,224)	(26,559)	288.66
Net profit	211,780	84,249	151.37

II. Overview of 2023 Business Plan

(I) Baby Lion

1. The Company's operating policy this year will focus on replacement of the production-oriented approach with marketing-oriented one to continue to develop products that meet market demand, expand market share, and improve operating performance.
2. In response to the strict requirements for products and the growth of the adult market in the era of declining birthrates, the Company will extend product categories and increase the product mix in line with the market demand, actively expand distribution channels, and expand the scale for sales.
3. In addition to maintaining existing customers, the Company will use marketing resources, such as promotions and media advertisements, to integrate virtual and physical channels for products and launch products in major physical entities and online shopping platforms to expand its market share and increase profits.

(II) Forest Beauty

1. The Company's operating policy for this year will focus on the expansion of the market with a sales- and marketing-orientated approach to continue to develop distribution channels suited for facial masks and skincare products market, and the Company will also work to promote brand awareness and product visibility through marketing to increase the operating performance.

2. Products that emphasized the cost-effectiveness in line with consumers' habits in the early days had resulted in astonishingly high sales performance. However, the affordable products without high quality would cause skin discomfort, which has led to a change in demand and the consumption structure. Forest Beauty aims to satisfy the demand for high CV value and provides products of high quality at affordable prices in the market, thereby driving the facial mask market revolution and promoting consumers to choose products suitable to their personal skin, regardless of the price, such that the actual benefits of safety, effectiveness and harmlessness can be achieved.
3. In addition to maintaining existing customers, the Company will use marketing resources, such as promotions and media advertisements, to integrate virtual and physical channels for products and launch products in major physical entities and online shopping platforms to expand its market share and increase profits. The Company will continue to develop the distribution channels in department stores this year to develop the high-end customer base.

### III. Future development strategy

#### (I) Short-term business development plans

##### 1. Sales strategy

- (1) Develop new channels based on product positioning, and formulate marketing strategies based on product and channel differentiation.
- (2) Revitalize the brand's image, keep abreast of consumer needs, and innovate and copy successful models to launch new products.
- (3) Actively develop overseas markets and new businesses, and ensure sustainable operation by diversifying operations and revitalizing assets.

##### 2. Marketing and R&D strategy

- (1) Keep abreast of the market trends and develop differentiated and customized products to facilitate new product development and successful launch.
- (2) Work closely with academic and research and development units, actually participate in the government's relevant unit's new product research and development projects, and actively apply for patents to ensure the Company's rights and interests, while expanding the scale of new product development.

##### 3. OEM strategy

- (1) Strictly monitor and inspect the operating procedures to strengthen and improve product quality.
- (2) Require manufacturers to cooperate with equipment maintenance and improvement and to upgrade process technology to achieve the differentiated value of new products.

## (II) Mid- and long-term business development plans

1. Master the win-win core technologies and continuously improve product quality to enhance competitive advantage.
2. Use diversified marketing strategies to promote a diversified product mix to increase market share.
3. Actively expand domestic and foreign sales markets, establish an international brand image, and become the most favored and reliable enterprise and a well-known brand.

### Baby Lion:

Extended the product lines to anti-mosquito series, anti-pandemic series and baby washes products, building on the wet wipes collection, to provide safer and more reliable products for infants and young children, so that consumers can have better choices.

### Forest Beauty:

Develop a series of facial care products based on facial masks to provide female consumers to meet their demand for naturality, safety, beauty, and health in all aspects, and to share the pie in the female skincare market.

## IV. External competition environment

### (I) Baby Lion

1. The sales region of the Company's main products is mainly in the domestic market, divided into three areas: northern (New Taipei, Taipei Cities, Taoyuan, Hsinchu, and Miaoli), central, and southern Taiwan, and the Company plans to step into the Asian market.
2. Future supply and demand status and growth: According to the statistics from professional market survey and research institutions, the wet wipes market continues to grow, with the affordable and pure water products as the mainstream. The Company will plan various functional products according to different consumer groups, and develop natural products and the ones with patented formula to achieve diversification and market segmentation to improve performance.
3. Future supply-demand response: Seek more domestic and foreign professional OEM to respond to future market demand.
4. Favorable and unfavorable factors of development prospects:
  - (1) Favorable factors: Domestic and foreign professional OEM have better product technology capabilities and positive competitive advantages in innovative manufacturing processes, which make the development of product collections more complete than the competitors in the same industry so as to keeps pace with major domestic businesses.
  - (2) Unfavorable factors: Due to the limited demand in the domestic consumer goods market

because of many brands and sufficient resources in the market, the Company can only adopt marketing strategies to attract consumers and expand market share.

(II) Forest Beauty

1. The sales region of the Forest Beauty is mainly in the domestic market, divided into three areas: Northern, central, and southern Taiwan, and the Company plans to step into the global market while based in Taiwan.
2. Future supply and demand status and growth: According to the statistics from professional market survey and research institutions and actual sales of distribution channels, the mask market continues to grow, and the concept of natural plant extracts also makes consumers feel assured and recognize the concept. The Company will plan various functional products according to different consumer groups, and continue to develop natural products, facial masks, and skin care products with unique patented formula and diversified functions to increase market share and performance.
3. Future supply-demand response: Seek more domestic and foreign professional OEM to respond to future market demand.
4. Favorable and unfavorable factors of development prospects:
  - (1) Favorable factors: Domestic and foreign professional OEM have better product technology capabilities and positive competitive advantages in innovative manufacturing processes, which make the development of product collections more complete than the competitors in the same industry so as to keeps pace with major domestic businesses.
  - (2) Unfavorable factors: Due to the limited demand in the domestic consumer goods market, the competition among brands is fierce. After acquiring a certain degree of market popularity and market share, the Company will step up the pace of entering overseas markets to become an international brand in the future.

V. The impact of legal and the overall business environments

- (I) All products are tested and qualified in compliance with relevant laws and regulations to provide consumers with the highest quality.
- (II) In recent years, the Company has continued to develop innovative products with high production value, while strengthening R&D and marketing capabilities, and cultivating talents is also a key development strategy for the Company in the future.
- (III) In the future, the Company will continue to uphold a pragmatic spirit, strive to take on challenges at all stages, and work hard to operate the consumer product market so as to achieve goals as planned while fulfilling social responsibilities to create greater profits and best benefits for shareholders and all employees.

I. 2022 Business Report

- (I) Change of the category of the old Shihlin Paper Mill land  
The land development project of Shihlin Paper Mill was carried out in accordance with the “Taipei City Shihlin District Urban Plan Overall Review (Detailed Program) (Phase I) Program” announced into force by the Taipei City Government on March 23, 2021, and the status of historical building approved by the “140th Taipei City Cultural Assets Review Committee” on September 27, 2021. It is intended that after the project, there will be park donations, urban renewal development procedures, and historical building development and reuse projects to achieve the goals of improving investment efficiency, regional co-prosperity, and shaping the urban environment.
- (II) The Warehouse No. 5 hotel urban renewal development project was approved by the city government on October 30, 2019, for implementation with the work at the current stage completed. The construction license was obtained on April 9, 2020, and the sample survey was completed in October 2021 for construction. The grouting construction of the B1 floor has been completed by the end of 2022.
- (III) In terms of the joint construction project on the corner of Fude Road (Yinxiu Community), The sale of the last 70 pings on the seventh floor of the building was completed in 2021 and the project was closed.
- (IV) The original dormitory building (Paper Sun Apartment), which was previously outsourced to an agency to operate it as a rental condo. It completed its registration as a hotel in March 2017 and changed its name to “Paper Sun Hotel.” In 2020, due to the impact of the global COVID-19 pandemic, the hotel transformed into a quarantine hotel in December 2020 and continued to operate as a quarantine hotel in 2021. For 2022, according to the government’s 921 earthquake new regulatory requirements, structural reinforcement was performed for 9 months, and the interior renovation construction was also completed. As the hotel transformed back to its regular hotel operation, an additional Cafe/Bistro was further opened and included in the operation of the hotel.
- (V) The Company has completed the signing of a joint construction contract for the land at No. 669-3 and 669-15, Guanghua Subsection 2, with a parcel of neighboring land, which has been included in the land reconstruction program (the reconstruction program for dangerous old buildings) on December 25, 2020, and the construction license was obtained during 2022 Q1.
- (VI) For the own land at No. 18, Fude Road, it was expected to construct a hotel building with ten stories and three basement floors. The land reconstruction program (dangerous old building program) was obtained during 2020 Q3; the construction license was obtained during 2022 Q2; and the construction commencement reporting was completed during 2022 Q4.
- (VII) No. 7, Section 3, Chongqing North Road (No. 901, Datong Subsection 2, Datong Section, Datong District, area: 55.36 pings) to participate in the joint construction of Nian Feng Construction (reconstruction program for unsafe and old buildings), and to be allocated with 8 houses and 7 parking spaces. The land reconstruction program (reconstruction for unsafe and old buildings) and construction license had been obtained.

## II. Overview of 2023 Development Plan

- (I) For the Shihlin Paper old factory land development project, “Taipei City Shihlin District Urban Plan Overall Review (Detailed Plan) (2nd Revision “Shihlin Paper Factory Land at Guanhua Section of Shilin District” Land Use Zone Control and Relevant Regulations) Project” public exhibition is expected to be handled according to the resolution of the 798th meeting of the Urban Planning Commission, Taipei City Government dated October 6, 2022, by the Taipei City Government during 2023 Q1. In addition, for this project, the Shihlin Paper Historical Building Restoration and Reuse Plan is expected to be submitted during 2023 Q1, and the Urban Renewal Enterprise and Right Change Plan is expected to be submitted during 2023 Q4.
- (II) For the Warehouse No. 5 hotel urban renewal development project, the beam raising is expected to be completed in 2023 Q4 (a hotel building with 12 floors above ground and 3 floors underground).
- (III) Paper Sun Hotel has been returned to Regular Hotel. The company will continue to integrate various resources this year to increase revenue and accommodation rates.
- (IV) In the Company’s joint construction contract for the land at No. 669-3 and 669-15, Guanhua Subsection 2, together with a parcel of neighboring land, residential buildings with 11 floors above ground and 3 floors underground will be built. The construction registration was completed in January 2023, and the first alteration of the design will be submitted in the first half of 2023.
- (V) The Company planned to build a commercial building and a hotel building with 10 floors above ground and 3 floors underground on the self-owned land at No. 18, Fude Road. It is scheduled to complete a construction outsourcing in the second quarter of 2023, and the demolition construction will be launched in the third quarter.
- (VI) The joint construction project on No. 7, Section 3, Chongqing North Road would be allocated with 8 houses and 7 parking spaces. One storefront and one parking space were reserved for future lease, while the remaining seven residential units and six parking spaces were for pre-sale.

## III. Development strategy

Sunshine Shihlin Development Co., Ltd. is a company of sustainable operation and is committed to the proper management of its own land assets with the best effort. For the criteria of its own land, the company will move toward the direction of re-planning and renovation of current houses, an increase of floor effect and rental rate. Furthermore, the company will continue to integrate land in other areas that are conducive to carrying out development, urban renewal, or reconstruction work of dangerous old buildings, to create a niche for the company while cooperating with government policies to jointly create the best interests of the urban development of Taipei City’s north district and nearby residents.

## IV. External competition environment

Due to the impact of the COVID-19 pandemic, the number of people requiring self-quarantine in 2020 increased, and the investee Sunshine Shihlin Paper Sun Hotel was subsequently transformed into a quarantined hotel. In 2022, according to the government’s epidemic control policy, it has been transformed back into a regular hotel. It will continue to cautiously respond to changes in the external

economy, adjust and increase catering services in a timely manner, and explore the take-out meal market to diversify income sources.

V. The impact of legal and the overall business environments

The Urban Renewal Act was amended, passed, and promulgated for implementation on January 30, 2019. The company has actively reviewed the conditions of existing land assets and conducted various asset revitalization assessments. In addition, Taipei City's regulations for the acceleration of the reconstruction of dangerous and old buildings were implemented in October 2019. The Company has reviewed eligible land assets in accordance with the regulations and completed the inclusion in the land reconstruction program (the reconstruction program for dangerous old buildings). The application for a construction license was completed in 2022 for the project on No. 18, Fude Road. The joint construction project on No. 669-3 and 669-15, Guanghua Subsection 2 with the neighboring land whose application for a construction license was obtained. Section 3, Chongqing North Road to participate in the joint construction of Nian Feng Construction, will continue as scheduled in 2023 for the construction work in line with the plan. Taipei City Government is planning to relax the application for TOD incentives, and has held a public presentation, we will keep track of the progress and review the applicability to future development projects.

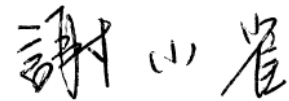
Looking ahead to 2023, with the gradual recovery of Taiwan's economic growth, the Company still needs to pay attention to changes in the global economy due to the pandemic, China-US trade friction, and other factors, and make appropriate adjustments. Therefore, the Company will continue to be cautious and to cooperate with the government policies actively to meet relevant review requirements, so as to implement the Company's development business smoothly while safeguarding the rights and interests of the Company's shareholders and meeting the expectations of all parties in the society.

## Audit Committees' Review Report

The Board of Directors submitted the Company's 2022 business report, financial statements, and a loss compensation proposal to us. After review, we found no inconsistency. Of them, the financial statements were also reviewed by Earnest & Co. Therefore, we have issued a report for your review in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To  
2023 General Shareholders' Meeting of Shihlin Paper Co., Ltd.

Convener of the Audit Committee : Hsiao-Chueh Hsieh



March 13, 2023

**Shihlin Paper Co., Ltd.**  
**Comparison Table of Amendments to the Rules of Procedure for Board of Directors' Meetings**

Article order	Amended articles	Original articles	Description
Article 3	<p>The Company's board meetings are convened at least once a quarter.</p> <p>A notice of the reasons for convening a board meeting shall be given to each director at least 7 days before the meeting is convened. In the event of an emergency, however, a board meeting may be called on short notice.</p> <p>The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.</p> <p>All matters set out in the subparagraphs of Paragraph 1 of Article 12 of these Rules shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.</p>	<p>The Company's board meetings are convened at least once a quarter.</p> <p>A notice of the reasons for convening a board meeting shall be given to each director at least 7 days before the meeting is convened. In the event of an emergency, however, a board meeting may be called on short notice.</p> <p>The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.</p> <p>All matters set out in the subparagraphs of Paragraph 1 of Article 12 of these Rules shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion <u>except in the case of an emergency or legitimate reason.</u></p>	<p>In accordance with the Jin-Guan-Zheng-Fa-Zi Document #1110383263 issued by the Financial Supervisory Commission on August 5, 2022.</p>
Article 12	<p>The following matters shall be discussed in the Company's board of directors:</p> <p>I. The Company's business plan.</p> <p>II. Annual financial statements and semi-annual financial statements This excludes semi-annual financial reports that do not need to be audited by a CPA according to law.</p> <p>III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and</p>	<p>The following matters shall be discussed in the Company's board of directors:</p> <p>I. The Company's business plan.</p> <p>II. Annual financial statements and semi-annual financial statements This excludes semi-annual financial reports that do not need to be audited by a CPA according to law.</p> <p>III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and</p>	<p>In accordance with the Jin-Guan-Zheng-Fa-Zi Document #1110383263 issued by the Financial Supervisory Commission on August 5, 2022.</p>

Article order	Amended articles	Original articles	Description
	<p>evaluation of the effectiveness of the internal control system.</p> <p>IV. To establish or revise procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending of funds to others, or endorsement or guarantee for others in accordance with Article 36-1 of the Securities and Exchange Act.</p> <p>V. The raising, issuance or private placement of marketable securities of an equity nature.</p> <p><u>VI. For the board of directors without the establishment of managing directors, the election or discharge of the chairman.</u></p> <p><u>VII.</u> Appointment or removal of finance, accounting or internal audit officers.</p> <p><u>VIII.</u> A donation to a related party or a major donation to a non-related party, However, public interest donations for the emergency relief of major natural disasters may be ratified in the next board of directors.</p> <p><u>IX.</u> Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be</p>	<p>evaluation of the effectiveness of the internal control system.</p> <p>IV. To establish or revise procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending of funds to others, or endorsement or guarantee for others in accordance with Article 36-1 of the Securities and Exchange Act.</p> <p>V. The raising, issuance or private placement of marketable securities of an equity nature.</p> <p>VI. Appointment or removal of finance, accounting or internal audit officers.</p> <p>VII. A donation to a related party or a major donation to a non-related party, However, public interest donations for the emergency relief of major natural disasters may be ratified in the next board of directors.</p> <p>VIII. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or to be submitted to a meeting of the board of directors, or any material matter as may be prescribed by the competent authority. The term "related party" described in Subparagraph 7 of</p>	

Article order	Amended articles	Original articles	Description
	<p>approved by resolution at a shareholders' meeting or to be submitted to a Board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" described in Paragraph 8 of the preceding paragraph refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" refers to an individual donation, or cumulative donations within one year to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than one percent of net operating revenue or five percent of paid-in capital as stated in the financial report for the most recent year certified by CPA.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>At least one independent director shall attend the meeting in person. With respect to the matters which must be approved by the board resolution as provided in the first paragraph, all independent directors shall attend the meeting. If an independent director is unable to attend the meeting, that</p>	<p>the preceding paragraph refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" refers to an individual donation, or cumulative donations within one year to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1% of net operating revenue or 5% of paid-in capital as stated in the financial report for the most recent year certified by CPA.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>At least one independent director shall attend the meeting in person. With respect to the matters which must be approved by the board resolution as provided in the first paragraph, all independent directors shall attend the meeting. If an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as a proxy. An independent director who cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting unless there are some</p>	

Article order	Amended articles	Original articles	Description
	<p>independent director shall appoint another independent director to attend the meeting as a proxy. An independent director who cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting unless there are some legitimate reasons to do otherwise. The opinion shall be specified in the minutes of the board of directors meeting.</p>	<p>legitimate reasons to do otherwise. The opinion shall be specified in the minutes of the board of directors meeting.</p>	
<p>Article 17</p>	<p>This Rules of Procedure shall be implemented after approved by the Board of Directors and reported to the shareholders' meeting. This Rules of Procedure was made on January 1, 2007. The 1st amendment was made on April 27, 2007. The 2nd amendment was made on March 27, 2008. The 3rd amendment was made on December 21, 2012. The 4th amendment was made on August 10, 2016. The 5th amendment was made on May 9, 2018. The 6th amendment was made on March 22, 2019. In addition, the Articles of Incorporation were amended during the 2019 annual general shareholders' meeting, the deletion of provisions related to supervisors shall become effective starting from the establishment of the Audit Committee. The 7th amendment was made on March 26, 2020. <u>The 8th amendment was made on November 9, 2022.</u></p>	<p>This Rules of Procedure shall be implemented after approved by the Board of Directors and reported to the shareholders' meeting. This Rules of Procedure was made on January 1, 2007. The 1st amendment was made on April 27, 2007. The 2nd amendment was made on March 27, 2008. The 3rd amendment was made on December 21, 2012. The 4th amendment was made on August 10, 2016. The 5th amendment was made on May 9, 2018. The 6th amendment was made on March 22, 2019. In addition, the Articles of Incorporation were amended during the 2019 annual general shareholders' meeting, and the deletion of provisions related to supervisors shall become effective starting from the establishment of the Audit Committee. The 7th amendment was made on March 26, 2020.</p>	<p>Added the date of amendment</p>

# Shihlin Paper Co., Ltd.

## Procedures for Ethical Management and Guidelines for Conduct

- Article 1 The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, “Procedures and Guidelines”) are adopted pursuant to the provisions of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies” and relevant laws, with a view to providing all personnel of the Company with clear directions for the performance of their duties.
- The scope of application of these Procedures and Guidelines includes the Company and subsidiaries indicated in the consolidated financial statements; provided that where a subsidiary specifies otherwise, such scope shall not be applied.
- Article 2 For the purposes of these Procedures and Guidelines, the term “personnel of this Corporation” refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of the Company and subsidiaries indicated in the consolidated financial statements.
- Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.
- Article 3 For the purposes of these Procedures and Guidelines, “unethical conduct” means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.
- The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.
- Article 4 For the purposes of these Procedures and Guidelines, the term “benefits” means any items with value, including money, gratuity, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment and dining. However, benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.
- Article 5 The Company designates the President’s Office as the solely responsible unit (hereinafter referred to as the “responsible unit”) to assist the board of directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors:
- I. Assisting in incorporating ethics and moral values into the Company’s business

strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.

- II. Reviewing domestic and foreign generally accepted standards or guidelines, and analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
- III. Planning of internal organization, staffing and job duties, establish mutual supervision and balance mechanisms for operating activities of relatively higher unethical conduct risk in the scope of business.
- IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- V. Planning a complaint filing system and ensuring its operating effectiveness.
- VI. Assisting the board of directors and management level in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the assessment of compliance with ethical management in operating procedures.
- VII. Preparing and properly retaining documented information of ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement.

Article 6 Except under one of the following circumstances, when providing, promising, requesting, or accepting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", the Corporate Management Best Practice Principles and these Procedures and Guidelines of the Company, and the relevant procedures shall have been carried out:

- I. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
- II. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
- III. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
- IV. Participation in publicly organized custom festival activities, and the general public is also invited to such activities.
- V. Reward, remedy, condolences or appreciation gifts, etc. provided by supervisors.
- VI. Social etiquette and custom or other conduct that complies with the rules of the Company.

Article 7 When personnel of the Company encounters benefits directly or indirectly provided or promised by others as described in Article 4, except for the conditions specified in subparagraph of the preceding article or prior report with approval, regardless of whether there is any relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall refuse or return the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within three days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under the preceding paragraph, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the President.

Article 8 The Company shall neither offer nor promise to offer any facilitating payment. In case where any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit of the Company shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 The Company shall maintain its principle of political neutrality. When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company shall comply with the Political Donations Act and their own relevant internal operational procedures of the Company, and shall not make such donations in exchange for commercial gains or business advantages.

The Company's personnel shall not participate in any political activities of political parties or organizations during working hours and at the workplace, and shall not post or send, or distribute political activity posters, propaganda related information or documents via e-mail.

Article 10 To provide charitable donation or sponsorship, the Company shall comply with relevant regulations of the Company and the following requirements:

- I. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the territory where the Company performs operation.
- II. A written record of the decision-making process shall be kept.
- III. A charitable donation shall be given to a valid charitable institution or government of any level, and may not be a disguised form of bribery.
- IV. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
- V. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 When a director, supervisor, managerial officer or other stakeholders of the Company attending or present at a board of directors' meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company may be prejudiced, shall not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

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.

Where in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest are likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in commercial activities other than those of the Company.

Article 12 All departments of the Company shall properly maintain the confidentiality of the Company's trade secrets, trademarks, patents, copyright works and other intellectual properties in order to ensure the sustained effectiveness of the confidentiality mechanism of the Company.

All personnel of the Company shall faithfully follow relevant laws of intellectual properties, internal procedures of the Company and contract requirements, and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

Article 13 The Company shall engage in business activities in accordance with the Fair Trade Act and relevant competition laws, and shall not engage in any conducts of unfair competition.

Article 14 The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall adopt and publish on the Company website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately, verify the facts and present a review and improvement plan.

The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 15 All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. All personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other parties from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16 The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of the Company's principles and rules with respect to ethical management.

Article 17 Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall assess the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the assessment under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

- I. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
- II. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
- III. Whether the enterprise's business operations are located in a country with a high risk of corruption.
- IV. Whether the business operated by the enterprise is in an industry with a high risk

of bribery.

- V. The long-term business condition and degree of goodwill of the enterprise.
- VI. Consultation with the enterprise's business partners on their opinion of the enterprise.
- VII. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19 All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that are involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20 Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall include compliance with the ethical management policy of the Company in the terms and conditions of the contract. In addition, the contract shall specify the following matters:

- I. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to the prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefits that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim damages, and may also deduct the full amount of the damages from the contract price payable.
- II. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the Company may terminate or rescind the contract unconditionally at any time.
- III. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action in accordance with the "Employee Reward and Punishment Regulations" depending upon the seriousness of the circumstance concerned.

The Company independently set up the whistle-blowing mailbox, [comment@shihlin.com.tw](mailto:comment@shihlin.com.tw), in order to allow internal and external personnel of the Company to submit reports.

A whistleblower shall at least furnish the following information:

- I. The whistleblower's name and I.D. number, and an address, telephone number, and e-mail address where it can be reached readily.
- II. Name and unit of the party being complained about or other information sufficient to identify the party being complained about.
- III. Specific evidence provided for investigation.

The Company shall not refuse to accept a reporting case based on the ground that the whistleblower fails to provide the personal information or contact information described in Subparagraph 1 of the preceding paragraph.

Relevant personnel of the Company handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company shall also undertake to protect the whistleblowers from improper or unfair treatment due to their whistle-blowing.

The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters:

- I. Information shall be reported to the department head if such information involves the rank and file and to an independent director if involving a director or a managerial officer.
- II. The responsible unit of the Company and the department head or personnel receiving a report shall immediately verify the facts and, where necessary, with the assistance of other related department.
- III. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's relevant policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek appropriate remedy in order to protect its reputation and its rights and interests.
- IV. Prior to making a decision of disposition, the Company may provide an opportunity to the party being complained to express his or her opinions or to file an appeal.
- V. Documentation of case acceptance, investigation processes and investigation results shall be retained for a preservation period of five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- VI. Where the whistleblowing case is verified to be true, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
- VII. The responsible unit of the Company shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

#### Article 22

In the event that any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial

and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23 The responsible unit of the Company shall organize internal education and training periodically and arrange for the chairman, president, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

The Company shall incorporate ethical management into the employee performance evaluation and human resource policy, and shall establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall publicly disclose information on the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be reported to the shareholders' meeting.

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

Article 25 These Procedures and Guidelines were duly enacted on December 12, 2022.

## Independent Auditors' Report

To the Board of Directors of Shihlin Paper Co., Ltd.,

### Opinion

We have audited the accompanying financial statements of Shihlin Paper Co., Ltd. (the Company), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity, cash flows for January 1 to December 31, 2022 and 2021, and the notes to parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for January 1 to December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis of Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards of R.O.C. Our responsibilities under those standards are further described in the CPAs' Responsibilities for the Audit of the Parent Company Only Financial Statements 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 parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements. In forming our opinion, we do not provide a separate opinion on these matters. The Key audit matters identified in the audit of the Company's parent company only financial statements as of and for the year ended December 31, 2022 is as follows:

#### Tangible asset impairment assessment

For the accounting policy for tangible asset impairment, please refer to Note (IV) 12 of the parent company only financial statements; for the uncertainty of accounting estimates and assumptions in assessing tangible asset impairment, please refer to Note (V) of the parent company only financial statements.

We assess whether there are any signs that tangible assets may have been impaired at each balance sheet date. If there are any signs of impairment, it is necessary to estimate the asset's recoverable amount. If it is impossible to estimate the recoverable amount in an individual asset, estimate the recoverable amount in the cash-generating unit to which the asset belongs. Since the recoverable amount estimation involves many assumptions and estimates, the assessment of tangible asset impairment is a key audit item.

#### Corresponding audit procedure

Our main audit procedures for the key audit items above include:

- Understand the Company’s asset impairment assessment methods and implementation status;
- Obtain the impairment evaluation form from the management and evaluate its reasonableness;
- Assess the reasonableness of the cash-generating unit and recoverable amount in the assets identified by the management.

### **Responsibilities of the Management and the Governance Bodies for the Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintenance of necessary internal control related to the preparation of said statements to ensure that said statements to be free from any material misstatement, either due to fraud or errors.

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

The governance bodies, including the audit committee, are responsible for overseeing the Company’s financial reporting process.

### **Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, either due to fraud or error, and to issue an auditors’ report. Reasonable assurance is a high level of assurance. Still, it is not a guarantee that an audit conducted in accordance with the auditing standards of R.O.C. will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken based on these financial statements, they are considered material.

As part of an audit in accordance with the auditing standards of R.O.C., we exercise professional judgment and professional skepticism throughout the audit. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, either 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 the one resulting from the error. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control related to the audit in order to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the Company’s internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Conclude on the appropriateness of the 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 from the users of the parent company only financial statements in our auditors' report to the relevant disclosures in the parent company only 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 parent company only financial statements, including the relevant notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 the governance bodies, 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 the governance bodies 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, relevant protective measures.

From the matters communicated with the governance bodies, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yu-Ling Hung and Min-Chih Chuo.

Earnest & Co., CPAs.  
Taipei, Taiwan (Republic of China)  
March 13, 2023

#### Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

Shihlin Paper Co., Ltd.  
Balance Sheets  
December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

Asset		Note	December 31, 2022		December 31, 2021		Liabilities and Equity			December 31, 2022		December 31, 2021	
Code	Accounting Items		Amount	%	Amount	%	Code	Accounting Items	Note	Amount	%	Amount	%
Current assets			Current liabilities										
1100	Cash and cash equivalents	(IV) and (VI)	\$ 50,688	0.82	\$ 9,584	0.10	2100	Short-term borrowings	(VI)	\$ 921,000	14.98	\$ 372,000	3.91
1120	Financial Assets at FVTOCI	(IV) and (VI)	3,058,871	49.74	6,565,620	69.03	2110	Short-term bills payable	(VI)	-	-	619,838	6.52
1170	Net accounts receivable	(IV), (VI), and (VII)	55,000	0.89	48,571	0.51	2130	Contract liability	(IV)	-	-	9	0.00
1200	Other receivables	(IV) and (VII)	8,473	0.14	1,021	0.01	2170	Accounts payable	(VII)	10,708	0.17	10,303	0.11
1300	Net balance of inventory	(IV) and (VI)	960	0.02	884	0.01	2200	Other payables	(VII)	13,442	0.22	11,420	0.12
1410	Prepayments	(VII)	4,211	0.07	2,192	0.02	2300	Other current liabilities		187	0.00	271	0.00
1470	Other current assets		98	0.00	68	0.00	21XX	Total current liabilities		945,337	15.37	1,013,841	10.66
11X X	Total current assets		3,178,301	51.68	6,627,940	69.68							
Non-current assets			Non-current liabilities										
1517	Financial Assets at FVTOCI	(IV) and (VI)	7,439	0.12	5,116	0.06	2570	Deferred tax liabilities		29,405	0.48	29,405	0.31
1551	Investment under equity method	(IV) and (VI)	2,805,432	45.61	2,715,221	28.55	2645	Guarantee deposits received		11,378	0.18	10,983	0.11
1600	Property, Plant and Equipment	(IV), (VI), (VII) and (VIII)	35,351	0.58	36,249	0.38	25XX	Total non-current liabilities		40,783	0.66	40,388	0.42
1760	Investment Property	(IV), (VI), and (VIII)	116,747	1.90	118,834	1.25	2XXX	Total liabilities		986,120	16.03	1,054,229	11.08
1780	Intangible asset	(IV) and (VI)	5,952	0.10	7,196	0.08	Equity						
1920	Refundable deposits	(IV) and (VI)	289	0.00	348	0.00	3100	Share capital	(VI)				
1975	Net defined benefit assets	(IV) and (VI)	783	0.01	442	0.00	3110	Share capital of ordinary shares		2,600,391	42.28	2,600,391	27.34
15X X	Total non-current assets		2,971,993	48.32	2,883,406	30.32		Retained earnings	(VI)				
			Equity										
			Special reserve										
			Deficit to be offset										
			Total retained earnings										
			Other equity interest										
			Total equity										
			Total liabilities and equity										
Total assets			\$ 6,150,294	100.00	\$ 9,511,346	100.00				\$ 6,150,294	100.00	\$ 9,511,346	100.00

The accompanying notes are an integral part of the financial statements

Shihlin Paper Co., Ltd.  
Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	(IV), (VI), and (VII)	\$ 132,098	100.00	\$ 120,357	100.00
5000	Operating costs	(VI) and (VII)	69,848	52.88	74,157	61.62
5900	Gross profit		62,250	47.12	46,200	38.38
5910	Less: unrealized sales profits		-	-	2,085	1.73
5920	Add: realized sales profits		977	0.74	-	-
5950	Net operating profit		63,227	47.86	44,115	36.65
	Operating expenses					
6100	Selling expenses	(VII)	39,623	29.99	42,748	35.52
6200	Administrative expenses	(VII)	35,816	27.11	51,223	42.56
6300	R&D expenses	(VII)	3,525	2.67	4,866	4.04
6000	Total operating expenses		78,964	59.77	98,837	82.12
6900	Operating losses		(15,737)	(11.91)	(54,722)	(45.47)
	Non-operating income and expense					
7010	Other income	(VI) and (VII)	347,884	263.35	128,658	106.90
7020	Other gains and losses	(VI)	(185)	(0.14)	49	0.04
7050	Financial costs	(VI)	(10,850)	(8.21)	(10,008)	(8.31)
7070	share of profit or loss of subsidiaries Accounted for using the equity method	(IV)	(109,332)	(82.77)	20,272	16.84
7000	Total non-operating revenue and expenses		227,517	172.23	138,971	115.47
7900	Net income before tax		211,780	160.32	84,249	70.00
7950	Income tax expense	(IV) and (VI)	-	-	-	-
8200	Net income for the current period		211,780	160.32	84,249	70.00
	Other comprehensive income - net Items that may not be reclassified subsequently to profit and loss					
8311	Gains (losses) on remeasurements of defined benefit plans	(IV) and (VI)	303	0.23	144	0.12
8316	Unrealized gains (losses) on investments in equity instruments at FVTOCI	(IV)	(3,505,026)	(2,653.35)	4,960,039	4,121.10
8300	Total other comprehensive income (net of tax) for the current period		(3,504,723)	(2,653.12)	4,960,183	4,121.22
8500	Total comprehensive income (loss) for the current period for the current period		\$ (3,292,943)	(2,492.80)	\$ 5,044,432	4,191.22
	Earnings per share					
9750	Basic earnings per share	(VI)	\$ 0.81		\$ 0.32	

The accompanying notes are an integral part of the financial statements

Shihlin Paper Co., Ltd.  
Statements of Changes in Equity  
For the Years Ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

Item	Share Capital		Retained Earnings			Other Items of Equity	Total Equity
	Shares (thousand)	Amount	Special reserve	Deficit to be offset	Total retained earnings	Unrealized Gain (Loss) on Financial Assets at FVTOCI	
Balance as of January 1, 2021	260,039	\$ 2,600,391	\$ 1,534,420	\$ (1,779,403)	\$ (244,983)	\$ 1,057,277	\$ 3,412,685
Net profit for 2021	-	-	-	84,249	84,249	-	84,249
Other comprehensive income for 2021	-	-	-	144	144	4,960,039	4,960,183
Total comprehensive income for 2021	-	-	-	84,393	84,393	4,960,039	5,044,432
Reversal of special reserve	-	-	(2,162)	2,162	-	-	-
Balance as of December 31, 2021	260,039	2,600,391	1,532,258	(1,692,848)	(160,590)	6,017,316	8,457,117
Net profit for 2022	-	-	-	211,780	211,780	-	211,780
Other comprehensive income for 2022	-	-	-	303	303	(3,505,026)	(3,504,723)
Total comprehensive income for 2022	-	-	-	212,083	212,083	(3,505,026)	(3,292,943)
Balance as of December 31, 2022	260,039	\$ 2,600,391	\$ 1,532,258	\$ (1,480,765)	\$ 51,493	\$ 2,512,290	\$ 5,164,174

The accompanying notes are an integral part of the financial statements

Shihlin Paper Co.,Ltd.  
Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Net income before tax for the current period	\$ 211,780	\$ 84,249
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	7,426	7,871
Amortization expense	1,459	1,387
Interest expense	10,850	10,008
Interest income	(222)	(5,787)
Dividend income	(347,383)	(31,363)
Share of loss (profit) of subsidiaries accounted for using the equity method	109,332	(20,272)
Net gain on disposal of property, plant and equipment	-	(273)
Unrealized sales profits	-	2,085
Realized sales profits	(977)	-
Changes in operating assets and liabilities:		
Decrease in notes receivable	-	529
Increase in accounts receivable	(6,429)	(3,955)
Increase in other receivables	(7,452)	(614)
Decrease (increase) in inventories	(76)	11,606
Decrease (increase) in prepayments	(2,019)	851
Decrease (increase) in other current assets	(30)	10
Increase in net defined benefit assets	(38)	(35)
Decrease in contract liability	(9)	(40)
Increase in accounts payable	405	3,585
Increase in other payables	1,679	1,077
Decrease in other current liabilities	(84)	(93)
Cash inflow (outflow) from operating activities	(21,788)	60,826
Interest received	222	5,787
Dividends received	348,817	31,363
Net cash inflow from operating activities	327,251	97,976
Cash flows from investing activities:		
Acquisition of Financial Assets at FVTOCI	(600)	(12)
Acquisition of investments under equity method	(200,000)	-
Acquisition of property, plant and equipment	(787)	(2,630)
Proceeds from disposal of property, plant and equipment	-	479
Acquisition of investment property	(3,728)	(460)

(Continued on the next page)

Shihlin Paper Co., Ltd.  
 Statements of Cash Flows  
 For the Years Ended December 31, 2022 and 2021  
 (Expressed in Thousands of New Taiwan Dollars)

(Continued from the previous page)	2022	2021
Acquisition of intangible assets	\$ (215)	\$ (185)
Decrease in refundable deposits	59	57
Net cash used in investing activities	(205,271)	(2,751)
Cash flows from financing activities:		
Short-term borrowings	4,153,000	2,102,000
Repayment of short-term loans	(3,604,000)	(2,430,000)
Borrowing of short-term bills payable	1,474,000	2,620,000
Repayment of short-term bills payable	(2,094,000)	(2,377,000)
Increase in guarantee deposit received	395	-
Interest paid	(10,271)	(10,090)
Net cash outflow from financing activities	(80,876)	(95,090)
Increase in cash and cash equivalents for the current period	41,104	135
Cash and cash equivalents at the beginning of the year	9,584	9,449
Cash and cash equivalents at year-end	\$ 50,688	\$ 9,584

The accompanying notes are an integral part of the financial statements.

## Independent Auditors' Report

To the Board of Directors of Shihlin Paper Co., Ltd.,

### Opinion

We have audited the accompanying financial statements of Shihlin Paper Co., Ltd. (the Company) and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets for January 1 to December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity, cash flows for the years then ended, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis of Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards of R.O.C. Our responsibilities under those standards are further described in the CPAs' Responsibilities for the Audit of the consolidated financial statements of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Income Recognition

For the accounting policy of revenue, please refer to Note (IV)15 for income recognition of the consolidated financial statements.

As part of the sales income of the Group is from sales to distributors, and the Group shall pay incentives, slotting fees, and advertising sponsorship fees to distributors upon contract signing, and part of the inventory is stored in the distributors' warehouses. Thus, contract conditions may affect income recognition, so income recognition is a key audit item.

Corresponding audit procedure

Our main audit procedure is as follows:

- Assess the reasonableness of the accounting treatment of income recognition (including sales discounts and returns).
- Test the effectiveness of the internal control system design and implementation with regard to income.
- Analyze the new sales customers for the current period who are related parties with a significant transaction amount or rank among the top ten sales customers to confirm that the income recognition is in line with the realization principle.
- Test the sales samples for a period before and after the end of the year according to the delivery conditions to evaluate the correctness during the income recognition period.

#### Tangible Asset Impairment Assessment

For the accounting policy for tangible asset impairment, please refer to Note (IV) 11 of the consolidated financial statements; for the uncertainty of accounting estimates and assumptions in assessing tangible asset impairment, please refer to Note (V) of the consolidated financial statements.

As of December 31, 2022, the Group's property, plant, and equipment amounted to NT\$1,635,475 thousands, and the investment property amounted to NT\$4,260,464 thousands. We assess whether there are any signs that the Group's tangible assets may have been impaired at each balance sheet date. If there are any signs of impairment, it is necessary to estimate the asset's recoverable amount. If it is impossible to estimate the recoverable amount in an individual asset, estimate the recoverable amount in the cash-generating unit to which the asset belongs. Since the total amount in the above-mentioned tangible assets is NT\$5,895,939 thousands (accounting for 63.41% of the total consolidated assets), and the estimation of the recoverable amount involves many assumptions and estimates, the impairment assessment of tangible assets is a key audit item.

Corresponding audit procedure

Our main audit procedures for the key audit items above include:

- Understand the Company's asset impairment assessment methods and implementation status;
- Obtain the impairment evaluation form from the management and evaluate its reasonableness;
- Assess the reasonableness of the cash-generating unit and recoverable amount in the assets identified by the management.

### Other Matters

Shihlin Paper Co., Ltd. has prepared parent company only financial statements for the years ended December 31, 2022 and 2021, for which we have issued an audit report with unqualified opinions for reference.

### Responsibilities of the Management and the Governance Bodies 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 IFRSs endorsed and issued into effect by the FSC and maintenance of necessary internal control related to the preparation of said statements to ensure that said statements to be free from any material misstatement, either due to fraud or errors.

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

The governance bodies, including the audit committee, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, either due to fraud or error, and to issue an auditors' report. The term reasonable assurance refers to a high level of assurance. Nevertheless, the audit performed according to the Generally Accepted Auditing Standards cannot guarantee the discovery of material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. If the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken based on these financial statements, they are considered material.

As part of an audit in accordance with the auditing standards of R.O.C., we exercise professional judgment and professional skepticism throughout the audit. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, either 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 the one resulting from the error. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control related to the audit in order to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Conclude on the appropriateness of the 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 from the users of the consolidated financial statements in our auditors' report to the relevant 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 as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the governance bodies, 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 the governance bodies 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, relevant protective measures.

From the matters communicated with the governance bodies, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yu-Ling Hung and Min-Chih Chuo.

Earnest & Co., CPAs.  
Taipei, Taiwan (Republic of China)  
March 13, 2023

### Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

**Shihlin Paper Co., Ltd. and Its Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

Asset		Note	December 31, 2022		December 31, 2021		Liabilities and Equity			December 31, 2022		December 31, 2021							
Code	Accounting Items		Amount	%	Amount	%	Code	Accounting Items	Note	Amount	%	Amount	%						
Current assets													Current liabilities						
1100	Cash and cash equivalents	(IV) and (VI)	\$ 175,393	1.88	\$ 38,502	0.31	2100	Short-term borrowings	(VI)	\$ 2,339,000	25.15	\$ 1,556,000	12.51						
1110	Financial assets at FVTPL	(IV) and (VI)	786	0.01	11,284	0.09	2110	Short-term bills payable	(VI)	-	-	778,114	6.26						
1120	Financial assets at FVTOCI	(IV) and (VI)	3,058,871	32.90	6,565,620	52.80	2130	Contract liability	(IV) and (VII)	36,748	0.40	7,758	0.06						
1136	Financial assets at amortized cost	(IV) and (VI)	-	-	4,322	0.04	2170	Accounts payable		10,784	0.12	10,427	0.08						
1150	Note receivable	(IV) and (VI)	336	0.00	492	0.00	2200	Other payables	(VII)	35,455	0.38	17,942	0.15						
1170	Net accounts receivable	(IV), (VI), and (VII)	52,695	0.57	49,913	0.40	2300	Other current liabilities		482	0.00	530	0.01						
1200	Other receivables	(IV)	4,591	0.05	1,021	0.01	21XX	Total current liabilities		2,422,469	26.05	2,370,771	19.07						
1300	Net balance of inventory	(IV) and (VI)	13,707	0.15	18,658	0.15	Non-current liabilities												
1410	Prepayments	(VI) and (VII)	32,212	0.35	22,238	0.18	2540	Long-term borrowings	(VI)	105,607	1.14	320	0.00						
1470	Other current assets	(VI)	126	0.00	99	0.00	2570	Deferred tax liabilities		1,592,156	17.12	1,592,156	12.81						
11XX	Total current assets		3,338,717	35.91	6,712,149	53.98	2645	Guarantee deposits received		13,882	0.15	14,107	0.11						
Non-current assets													25XX	Total non-current liabilities		1,711,645	18.41	1,606,583	12.92
1517	Financial assets at FVTOCI	(IV) and (VI)	7,441	0.08	5,116	0.04	2XXX	Total liabilities		4,134,114	44.46	3,977,354	31.99						
1600	Property, plant and equipment	(IV), (VI), and (VIII)	1,635,475	17.59	1,308,210	10.52	31XX	Equity attributable to owners of the parent company											
1760	Investment property	(IV), (VI), and (VIII)	4,260,464	45.82	4,399,752	35.38	3100	Share capital	(VI)										
1780	Intangible asset	(IV) and (VI)	6,866	0.07	8,195	0.07	3110	Share capital of ordinary shares		2,600,391	27.97	2,600,391	20.91						
1920	Refundable deposits	(VII)	1,082	0.01	607	0.01	Retained earnings												
1975	Net defined benefit assets	(IV) and (VI)	783	0.01	442	0.00	3320	Special reserve	(VI)	1,532,258	16.48	1,532,258	12.32						
1900	Other non-current assets	(VI)	47,460	0.51	-	-	3350	Deficit to be offset		(1,480,765)	(15.93)	(1,692,848)	(13.61)						
15XX	Total non-current assets		5,959,571	64.09	5,722,322	46.02	3300	Total retained earnings		51,493	0.55	(160,590)	(1.29)						
							3400	Other equity interest		2,512,290	27.02	6,017,316	48.39						
							3XXX	Total equity		5,164,174	55.54	8,457,117	68.01						
Total assets			\$ 9,298,288	100.00	\$ 12,434,471	100.00	Total liabilities and equity			\$ 9,298,288	100.00	\$ 12,434,471	100.00						

The accompanying notes are an integral part of the consolidated financial statements.

**Shihlin Paper Co., Ltd. and its Subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**For the Years Ended December 31, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	(IV), (VI), and (VII)	\$ 165,058	100.00	\$ 326,024	100.00
5000	Operating costs	(VI) and (VII)	88,913	53.87	149,523	45.86
5900	Gross profit		76,145	46.13	176,501	54.14
	Operating expenses					
6100	Selling expenses	(VII)	60,196	36.47	58,017	17.80
6200	Administrative expenses	(VII)	114,644	69.46	138,972	42.63
6300	R&d expenses	(VII)	4,529	2.74	6,071	1.86
6000	Total operating expenses		179,369	108.67	203,060	62.29
6900	Operating losses		(103,224)	(62.54)	(26,559)	(8.15)
	Non-operating income and expense					
7010	Other income	(VI)	352,545	213.59	138,473	42.47
7020	Other gains and losses	(VI)	(9,722)	(5.89)	(554)	(0.17)
7050	Financial costs	(VI)	(27,819)	(16.85)	(22,741)	(6.97)
7000	Total non-operating revenue and expenses		315,004	190.85	115,178	35.33
7900	Net income before tax		211,780	128.31	88,619	27.18
7950	Income tax expense	(IV) and (VI)	-	-	4,370	1.34
8200	Net income for the current period		211,780	128.31	84,249	25.84
	Other comprehensive income - net					
	Items that may not be reclassified subsequently to profit and loss					
8311	Gains (losses) on remeasurements of defined benefit plans	(IV) and (VI)	303	0.18	144	0.05
8316	Unrealized gains (losses) on investments in equity instruments at FVTOCI	(IV)	(3,505,026)	(2,123.51)	4,960,039	1,521.37
8300	Total other comprehensive income (net of tax) for the current period		(3,504,723)	(2,123.33)	4,960,183	1,521.42
8500	Total comprehensive income (loss) for the current period		\$ (3,292,943)	(1,995.02)	\$ 5,044,432	1,547.26
8600	Net profit (loss) attributable to					
8610	Owners of the parent company		\$ 211,780	128.31	\$ 84,249	25.84
8620	Non-controlling interests		-	-	-	-
			\$ 211,780	128.31	\$ 84,249	25.84
8700	Total comprehensive income attributable to					
8710	Owners of the parent company		\$ (3,292,943)	(1,995.02)	\$ 5,044,432	1,547.26
8720	Non-controlling interests		-	-	-	-
			\$ (3,292,943)	(1,995.02)	\$ 5,044,432	1,547.26
	Earnings per share					
9750	Basic earnings per share	(VI)	\$ 0.81		\$ 0.32	

The accompanying notes are an integral part of the consolidated financial statements.

Shihlin Paper Co., Ltd. and its Subsidiaries  
Consolidated Statements of Changes in Equity  
For the Years Ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

Item	Equity Attributable to Owners of the Parent Company						
	Share Capital		Retained Earnings			Other Items of Equity	Total Equity
	Shares (thousand)	Amount	Special Reserve	Deficit to be Offset	Total Retained Earnings	Unrealized Gain (Loss) on Financial Assets at FVTOCI	
Balance as of January 1, 2021	260,039	\$ 2,600,391	\$ 1,534,420	\$ (1,779,403)	\$ (244,983)	\$ 1,057,277	\$ 3,412,685
Net profit for 2021	-	-	-	84,249	84,249	-	84,249
Other comprehensive income for 2021	-	-	-	144	144	4,960,039	4,960,183
Total comprehensive income for 2021	-	-	-	84,393	84,393	4,960,039	5,044,432
Reversal of special reserve	-	-	(2,162)	2,162	-	-	-
Balance as of December 31, 2021	260,039	2,600,391	1,532,258	(1,692,848)	(160,590)	6,017,316	8,457,117
Net profit for 2022	-	-	-	211,780	211,780	-	211,780
Other comprehensive income for 2022	-	-	-	303	303	(3,505,026)	(3,504,723)
Total comprehensive income for 2022	-	-	-	212,083	212,083	(3,505,026)	(3,292,943)
Balance as of December 31, 2022	260,039	\$ 2,600,391	\$ 1,532,258	\$ (1,480,765)	\$ 51,493	\$ 2,512,290	\$ 5,164,174

The accompanying notes are an integral part of the consolidated financial statements.

# Shihlin Paper Co., Ltd. and its Subsidiaries

## Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Net income before tax for the current period	\$ 211,780	\$ 88,619
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	13,314	14,133
Amortization expense	1,544	1,474
Net gain on financial assets at FVTPL	(11)	(19)
Interest expense	27,819	22,741
Interest income	(146)	(5,804)
Dividend income	(347,383)	(31,363)
Net loss (gain) on disposal of property, plant and equipment	330	(272)
Loss from disposal of investment property	9,564	-
Changes in operating assets and liabilities:		
Decrease in notes receivable	156	37
Increase in accounts receivable	(2,782)	(1,049)
Increase in other receivables	(3,570)	(614)
Decrease in inventories	4,951	55,728
Increase in prepayments	(9,974)	(383)
Decrease (increase) in other current assets	(27)	6
Increase in net defined benefit assets	(38)	(35)
Increase in contract liability	28,990	5,242
Increase in accounts payable	357	3,263
Decrease in other payables	(5,853)	(3,344)
Decrease in other current liabilities	(48)	(282)
Cash inflow (outflow) from operating activities	(71,027)	148,078
Interest received	146	5,804
Dividends received	347,383	31,363
Income tax paid	-	(8,254)
Net cash inflow from operating activities	276,502	176,991

(Continued on the next page)

# Shihlin Paper Co., Ltd. and its Subsidiaries

## Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

(Continued from the previous page)	2022	2021
	<u>                    </u>	<u>                    </u>
Cash flows from investing activities:		
Acquisition of financial assets at FVTOCI	\$ (602)	\$ (12)
Decrease (increase) in financial assets at amortized cost	4,322	(2,926)
Proposal of financial assets at FVTPL	10,509	3,590
Acquisition of property, plant and equipment	(162,681)	(4,971)
Proceeds from disposal of property, plant and equipment	-	272
Acquisition of investment property	(26,236)	(2,999)
Acquisition of intangible assets	(215)	(186)
Decrease (increase) in refundable deposits	(475)	126
Increase in other non-current assets	(47,460)	-
Net cash used in investing activities	<u>(222,838)</u>	<u>(7,106)</u>
Cash flows from financing activities:		
Short-term borrowings	11,603,000	9,236,500
Repayment of short-term loans	(10,820,000)	(9,768,000)
Borrowing of short-term bills payable	1,482,500	2,790,500
Repayment of short-term bills payable	(2,261,000)	(2,389,000)
Borrowing of long-term loans	105,287	320
Decrease in guarantee deposits received	(225)	(2,847)
Interest paid	(26,335)	(23,163)
Net cash inflow (outflow) from financing activities	<u>83,227</u>	<u>(155,690)</u>
Increase in cash and cash equivalents for the current period	136,891	14,195
Cash and cash equivalents at the beginning of the year	38,502	24,307
Cash and cash equivalents at year-end	<u>\$ 175,393</u>	<u>\$ 38,502</u>

The accompanying notes are an integral part of the consolidated financial statements.

**Shihlin Paper Co., Ltd.**

**2022 Deficit Compensation Statement**

	Unit: NTD thousand
	Amount
Cumulative loss at the beginning of the period	(1,692,848)
Re-measurement of defined benefit plans for 2022 reclassified to retained earnings	303
Net profit after tax for the year	211,780
Cumulative loss at the end of the period	(1,480,765)

**Comparison Table for Amendment to the Articles of Incorporation**

Article order	Amended articles	Original articles	Description
Article 9	<p>The Company’s shareholders’ meeting is divided into two types: general meetings and extraordinary meetings. The general meeting is held once a year, which is held within six months after the final accounts of each year are ready, and the extraordinary meeting is convened when necessary. The date, location, and reason for the convening of the general shareholders’ meeting shall be contained in a notice to shareholders within 30 days before the meeting and announced accordingly while the date, location, and reason for the convening of an extraordinary shareholders’ meeting shall be contained in a notice to shareholders within 15 days before the meeting and announced accordingly</p> <p>The shareholders’ meeting mentioned in the preceding paragraph shall be convened by the board of directors, unless otherwise provided by the Company Act.</p> <p>For shareholders who hold less than 1 thousand shares of the registered stock, the notice of the convening of the meeting in the preceding paragraph may be announced by way of public announcement.</p> <p><u>The shareholders’ meetings may be held by virtual meeting or other means announced by the competent authority.</u></p>	<p>The Company’s shareholders’ meeting is divided into two types: general meetings and extraordinary meetings. The general meeting is held once a year, which is held within six months after the final accounts of each year are ready, and the extraordinary meeting is convened when necessary. The date, location, and reason for the convening of the general shareholders’ meeting shall be contained in a notice to shareholders within 30 days before the meeting and announced accordingly while the date, location, and reason for the convening of an extraordinary shareholders’ meeting shall be contained in a notice to shareholders within 15 days before the meeting and announced accordingly</p> <p>The shareholders’ meeting mentioned in the preceding paragraph shall be convened by the board of directors, unless otherwise provided by the Company Act.</p> <p>For shareholders who hold less than 1 thousand shares of the registered stock, the notice of the convening of the meeting in the preceding paragraph may be announced by way of public announcement.</p>	<p>Newly added Paragraph 4 according to the newly amended Article 172-2 of the “Company Act”.</p>
Article 20	<p>These Articles of Incorporation were duly enacted on June 29, 1958. The 1st amendment was made on December 5, 1959. The 2nd amendment was made on March 26, 1962. The 40th amendment was made on June 15, 2010. The 41st amendment was made on June 21, 2012. The 42nd amendment was made on June 4, 2013. The 43rd amendment was made on June 27, 2014. The 44th amendment was made on June 8, 2015. The 45th amendment was made on June 8, 2016. The 46th amendment was made on June 24, 2019. <u>The 47th amendment was made on June 5, 2023.</u></p>	<p>These Articles of Incorporation were duly enacted on June 29, 1958. The 1st amendment was made on December 5, 1959. The 2nd amendment was made on March 26, 1962. The 40th amendment was made on June 15, 2010. The 41st amendment was made on June 21, 2012. The 42nd amendment was made on June 4, 2013. The 43rd amendment was made on June 27, 2014. The 44th amendment was made on June 8, 2015. The 45th amendment was made on June 8, 2016. The 46th amendment was made on June 24, 2019.</p>	<p>Added the date of amendment</p>

## Shihlin Paper Co., Ltd.

### Comparison Table of Amendments to the Rules of Procedure for Shareholders' Meetings

Provision after amendment	Original articles	Description
Article 1 (Omitted)	I. (Omitted)	Adjust the article recording method.
<p>Article 2 (Paragraph 1 omitted)</p> <p><u>When the Company convenes a virtual shareholders' meeting unless the Regulations Governing the Administration of Shareholder Services of Public Companies specify others, the articles of incorporation shall describe procedures in detail, the resolution of the board of directors shall be adopted, and the virtual shareholders' meeting shall be attended by more than two-thirds of the directors of the board and with the resolution made based on the consents of a majority of attending directors.</u></p> <p><u>Any changes to the convening of a shareholders' meeting shall be resolved in a board meeting, which should be completed at the latest before the notice of the shareholders' meeting is sent.</u></p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an ordinary shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the ordinary shareholders' meeting or before 15 days before the date of the extraordinary shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.</p> <p><u>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:</u></p> <p><u>I. For physical shareholders' meetings, to be distributed on-site at the meeting.</u></p> <p><u>II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>III. For virtual shareholders' meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>(The content below Paragraph 6 is omitted)</p>	<p>II. (Paragraph 1 omitted)</p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an ordinary shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the ordinary shareholders' meeting or before 15 days before the date of the extraordinary shareholders' meeting. The shareholders' meeting shall prepare the Meeting Agenda Handbook and supplementary data of the meeting available to all shareholders and display them at the Company and the shareholder services agent 15 days prior to the shareholders' meeting and shall have the same handed out on-the-spot at the shareholders' meeting.</p> <p>(The content below Paragraph 3 is omitted)</p>	<p>Paragraphs 2~4 are newly added in accordance with the amendment of the Sample Template for "XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings" announced by the Stock Exchange.</p>
<p>Article 3 (Paragraphs 1~3 are omitted)</p> <p>Should the shareholder decide to attend</p>	III. (Paragraphs 1~3 are omitted)	Paragraph 4 is newly added in

<p><u>shareholders’ meeting by virtual meeting after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw the proxy arrangement before the due date, the vote of the proxy attendant shall prevail.</u></p>		<p>accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>
<p><u>Article 4 The Company shall specify in its shareholders’ meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively referred to as “shareholders”) will be accepted, the place to register for attendance, and other matters for attention.</u>  <u>Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly marked and stationed with competent personnel. Check-in to the virtual meeting platform of the shareholders’ meeting should be completed at least 30 minutes before the meeting starts, those who complete the check-in are considered to have attended the meeting in person.</u>  Shareholders shall hand in their attendance cards, sign-in cards, or other attendance certificates to attend the shareholders’ meeting; power of attorney solicitors shall carry their identity documents with them for verification.  The Company shall furnish the attending shareholders or proxies entrusted by shareholders (collectively, “shareholders”) with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.  The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker’s slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.  When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders’ meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.  <u>Shareholders who would like to attend the virtual meeting of shareholders’ meeting should register with the Company at least two days before the shareholders’ meeting.</u>  <u>In the event of a virtual shareholders’ meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p><b>IV.</b> The Company shall furnish the attending shareholders or proxies entrusted by shareholders (collectively, “shareholders”) with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.  The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker’s slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.  Shareholders shall hand in their attendance cards, sign-in cards, or other attendance certificates to attend the shareholders’ meeting; power of attorney solicitors shall carry their identity documents with them for verification.  When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders’ meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	<p>Provision is newly added in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>
<p><u>Article 4-1 To convene a virtual shareholders’ meeting, the Company shall include the following particulars in the shareholders’ meeting notice:</u>  <u>I. How shareholders attend the virtual meeting and exercise their rights. How shareholders attend the virtual meeting and exercise their rights.</u>  <u>II. Actions to be taken if the virtual meeting</u></p>	<p>(None)</p>	<p>Provision is newly added in accordance with the amendment of the Sample Template for “XXX Co., Ltd.</p>

<p><u>platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events, at least covering the following particulars:</u></p> <p><u>(I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>(II) Shareholders not having registered to attend the affected virtual shareholders’ meeting shall not attend the postponed or resumed session.</u></p> <p><u>(III) In case of a hybrid shareholders’ meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders’ meeting online, meets the minimum legal requirement for a shareholders’ meeting, then the shareholders’ meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agendas of that shareholders’ meeting.</u></p> <p><u>(IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>III. To convene a virtual shareholders’ meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders’ meeting online shall be specified.</u></p>		<p>Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange, .</p>
<p>Article 5 (Paragraph 1 omitted)</p> <p>The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time, <u>and shall also announce information related to the number of shares having no voting rights and the number of shares represented by the attending shareholders.</u></p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders’ meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution approved with a majority vote of attending shareholders may be adopted pursuant to</p>	<p><u>V. (Paragraph 1 omitted)</u></p> <p>The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.</p> <p>On an issue under discussion in a shareholders’ meeting, a shareholder who is an interested party in such issue that is likely to impair the interests of the Company shall not join the voting process, nor shall he or she exercise voting rights as a proxy for another shareholder.</p> <p>The number of shares mentioned in the preceding paragraph that could not be exercised for voting rights shall not be counted as the voting rights of the shareholders who are already present in the meeting.</p> <p>Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.</p> <p>On the day of a shareholders’ meeting, the Company shall compile a statistical statement of</p>	<p>Provision is newly added in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>

<p>Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. <u>In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 4.</u></p> <p>When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p> <p>The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.</p> <p>On an issue under discussion in a shareholders' meeting, a shareholder who is an interested party in such issue that is likely to impair the interests of the Company shall not join the voting process, nor shall he or she exercise voting rights as a proxy for another shareholder.</p> <p>The number of shares mentioned in the preceding paragraph that could not be exercised for voting rights shall not be counted as the voting rights of the shareholders who are already present in the meeting.</p> <p>Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.</p>	<p>the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of said statement at the place of the shareholders' meeting.</p>	
<p><u>Article 6</u> The venue for a shareholders' meeting shall be the county or city where the Company is located, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>Full consideration shall be given to the opinions of the independent Directors with respect to the place and time of the meeting.</u></p> <p><u>If the shareholders' meeting is held by virtual meeting, it is not subject to the restriction on the revenue as specified in the preceding paragraph.</u></p>	<p>VI. The venue for a shareholders' meeting shall be the premises of the Company's headquarters, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>I. To improve the corporate governance, Paragraph is amended.</p> <p>II. Paragraph is newly added to explicitly specify that the convention of a virtual shareholders' meeting shall not be restricted by the meeting location.</p>
<p><u>Article 7</u> (Paragraph 1 omitted)</p> <p><u>When a managing director or a director serves as chair, as referred to in the preceding paragraph managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall apply to a representative of legal directors.</u></p> <p><u>The shareholders' meeting convened by the board of directors shall be personally hosted by the chairman of the board. More than half of the directors and at least one representing member of various functional committees shall attend the</u></p>	<p><u>VII.</u> (Paragraph 1 omitted)</p> <p>Where a shareholders' meeting is convened by another convener beyond the board of directors, such meeting shall be chaired by that convener. In the event that there are 2 or more conveners, one shall be elected from among themselves to chair the meeting.</p>	<p>I. Provision is amended in accordance with the amendment of the Sample Template for "XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings" announced by the Stock Exchange</p>

<p><u>meeting, and the attendance shall be recorded in the meeting minutes.</u> Where a shareholders' meeting is convened by another convener beyond the board of directors, such meeting shall be chaired by that convener. In the event that there are 2 or more conveners, one shall be elected from among themselves to chair the meeting. <u>The Company may appoint its attorneys, certified public accountants, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.</u></p>		<p>and Paragraph 2 of Article 6 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".</p>
	<p><u>VIII. The Company may appoint its attorneys, certified public accountants, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.</u></p>	<p>The original content is moved to Paragraph 5 of Article 7; therefore, this article is deleted.</p>
<p><u>Article 8</u> The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded. <u>For the shareholders' meetings held by virtual meeting, the Company shall retain records of the shareholders' registration, login, check-in, questioning, voting and vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire meeting.</u> <u>The above-mentioned materials and audio and video recordings shall be properly retained by the Company during the period of existence, and they shall be provided to those who are entrusted with handling virtual meeting tasks.</u></p>	<p><u>IX.</u> The Company shall record on audio or video tape the entire <u>proceedings of a shareholders' meeting</u> and preserve the recordings for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.</p>	<p>I. Adjust order of article order. II. Provision is newly added in accordance with the amendment of the Sample Template for "XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings" announced by the Stock Exchange.</p>
	<p><u>X.</u> The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution approved with a majority vote of attending shareholders may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. When, prior to the conclusion of the meeting, the</p>	<p>The original content is moved to Paragraphs 3 to 5 of Article 5; therefore, this article is deleted.</p>

	<p>attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders’ meeting pursuant to Article 174 of the Company Act.</p>	
<p><u>Article 9</u> If a shareholders’ meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, and <u>relevant proposals (including extraordinary motions and original proposal revisions) shall adopt the voting method for each proposal.</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders’ meeting.</p> <p><u>(Paragraphs 2 and 3 are omitted)</u></p> <p><u>The chairperson must allow for sufficient time to explain and discuss the various motions, amendments or special motions proposed during the meeting. The chairperson may announce discontinuance of further discussions if the issue in question is considered to have been sufficiently discussed to proceed with the voting and arrange sufficient voting time.</u></p>	<p><u>XI.</u> If a shareholders’ meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders’ meeting.</p> <p><u>(Paragraphs 2 and 3 are omitted)</u></p>	<p>I. Adjust order of article order. II. Paragraph 1 is amended according to the electronic voting system adopted. In addition, Paragraph 4 is amended in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>
<p><u>Article 10</u> Before speaking, an attending shareholder must specify on a speaker’s slip the subject of the speech, his/her shareholder account number (or attendance card number) and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker’s slip but does not actually speak shall be deemed to have not spoken. In case the content of the speech delivered on the floor is inconsistent with the content in the speech slip, the former shall prevail.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder’s speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chairperson shall stop any violation.</p> <p>When a juridical person shareholder appoints two or more representatives to attend a shareholders’ meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>For the shareholders’ meetings held by virtual meeting, the shareholders who attend the meeting by virtual meeting may raise their questions in text form on the virtual meeting platform after the chair announces the start of the meeting and before the chair announces the ending of the meeting. A shareholder may not raise their questions more than twice for a single motion, and each question is limited to 200 words. These do not apply to the requirements of Paragraphs 1 to 5.</u></p>	<p><u>XII.</u> Before speaking, an attending shareholder must specify on a speaker’s slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker’s slip but does not actually speak shall be deemed to have not spoken. In case the content of the speech delivered on the floor is inconsistent with the content in the speech slip, the former shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chairperson shall stop any violation.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder’s speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When a juridical person shareholder appoints two or more representatives to attend a shareholders’ meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>I. Adjust order of article and paragraph order. II. Paragraphs 7 and 8 are newly added in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>

<p><u>The abovementioned questions which do not violate the rules or do not exceed the scope of the motion should be disclosed on the virtual meeting platform as public knowledge.</u></p>		
	<p><u>XIII. The chair shall grant adequate opportunities for clarification and discussion on an amendment or extempore motions posed by a shareholder. Upon the time believed to be up for resolution, the chair may announce discontinuation from a discussion and put the issue for resolution.</u></p>	<p>The The original content is moved to Paragraph 4 of Article 9; therefore, this article is deleted.</p>
<p><u>Article 11 (Paragraph 1 omitted)</u>  When the Company holds a shareholders’ meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders’ meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.  A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders’ meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.  After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders’ meeting in person or via visual communication method, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders’ meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders’ meeting, the voting rights exercised by the proxy in the meeting shall prevail.  <u>Except as otherwise provided in the Company Act and in the Company’s Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The Company is advised to arrange for their shareholders to vote on each separate proposal, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System (MOPS).</u>  <u>When there is an amendment or an alternative to a</u></p>	<p><u>XIV. (Paragraph 1 omitted)</u>  Where a shareholders’ meeting is convened by the Company, voting rights may be exercised in writing or electronic means. When the voting rights are to be exercised in writing, such means of exercise shall be expressly provided in the notice to the shareholders’ meeting. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.  A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders’ meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.  After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders’ meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders’ meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders’ meeting, the voting rights exercised by the proxy in the meeting shall prevail.  Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The counting of the votes at the shareholders’ meeting shall be conducted publicly at the shareholders’ meeting, and the results of the vote shall be announced on the spot and recorded in the meeting minutes.</p>	<p>I. Adjust order of article and paragraph order.  II. Paragraph 2 is amended according to the adoption of the electronic voting method.  III. Provision is amended in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange and the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”.</p>

<p><u>proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</u></p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p><u>Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</u></p> <p><u>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>For the shareholders' meetings held by virtual meeting, the votes shall be counted once after the chair announces the close of voting, and the results of the voting and election will be announced.</u></p> <p><u>For the shareholders' meetings also held by virtual meeting, shareholders, solicitors or entrusted proxies who have already registered to attend the meetings by virtual meeting in accordance with the provisions of Article 4 but wish to attend the physical meetings shall take the procedures same as the registration to cancel their registration at least 2 days before the meeting. Those who fail to cancel the registration on time can only attend the meetings by virtual meeting.</u></p> <p><u>Those who exercise their voting rights by correspondence or by electronic means without retracting their voting rights already exercised and participate in shareholders' meetings by virtual meeting shall not exercise their voting rights on the original motion, propose amendment to the original motion or exercise their voting rights on the revision of the original motion, except for extraordinary motions.</u></p>		
<p>Article 12 (Omitted)</p>	<p>XV. (Omitted)</p>	<p>Adjust order of article order.</p>
<p>Article 13 (Omitted)</p>	<p>XVI. (Omitted)</p>	<p>Adjust order of article order.</p>
	<p><u>XVII. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.</u></p> <p><u>The chair is to consult the motion ready for balloting with the attendees at the meeting and it is deemed as having been passed if there are no objections raised.</u></p>	<p>The original content is moved to Paragraph 5 of Article 11; therefore, this article is deleted.</p>
	<p><u>XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any</u></p>	<p>The original content is moved to Paragraph 6 of Article 11; therefore, this</p>

	<u>one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</u>	article is deleted.
<u>Article 14 (Omitted)</u>	<u>XIX. (Omitted)</u>	Adjust order of article order.
<p><u>Article 15 (Paragraphs 1 and 2 omitted)</u></p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair’s full name, the methods by which resolutions were adopted, and a summary of the deliberations and their <u>voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors.</u> These records are to be kept permanently during the Company’s existence.</p> <p><u>The minutes of the shareholders’ meeting held by virtual meeting should record the items mentioned the preceding paragraph, the starting and ending time of the meeting, the convening method the meeting, the name of the chair and the meeting minute taker, the measures taken when the virtual meeting platform or the teleconference experiences force majeure.</u></p> <p><u>To convene a virtual shareholders’ meeting, not only to follow the preceding paragraphs, but also appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders’ meeting online shall be specified.</u></p>	<p><u>XX. (Paragraphs 1 and 2 omitted)</u></p> <p>The meeting minutes shall properly record the date and place of the meeting, the name of the chair, the method of adopting resolutions, a summary of the essential points of the proceedings, and the results. The minutes shall be kept persistently throughout the life of the Company.</p> <p><u>If matters put to a resolution at a shareholders’ meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</u></p>	<p>I. Adjust order of article order.</p> <p>II. Provision is newly added in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>
<p><u>Article 16 On the day of a shareholders’ meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders’ meeting. In the event a virtual shareholders’ meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least thirty minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>When the shareholder meeting by virtual meeting is announced to start, the number of voting rights of the attending shareholders is disclosed on the virtual meeting platform. The same applies when the total number of shares and the number of voting rights in attendance are compiled again during the meeting.</u></p> <p><u>If matters put to a resolution at a shareholders’ meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</u></p>		<p>Provision is newly added in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>
<u>Article 17 In the event of a virtual shareholders’</u>		Provision is

<p><u>meeting, the Company shall disclose real-time results of votes and elections immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue for at least fifteen minutes after the chair has announced the meeting adjourned.</u></p>		<p>newly added in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>
<p><u>Article 18 When the Company convenes a virtual shareholders’ meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>		<p>Provision is newly added in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>
<p><u>Article 19 In the event of a virtual shareholders’ meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. In the event of a virtual shareholders’ meeting, when declaring the meeting open, the chair shall also declare, unless, under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than thirty minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u>  <u>If the meeting should be postponed or continued as mentioned in the preceding paragraph, shareholders not having registered to attend the affected virtual shareholders’ meeting shall not attend such shareholders’ meeting.</u>  <u>If the meeting should be postponed or continued as mentioned in Paragraph 2, shareholders who have registered to participate in the affected virtual shareholders’ meeting, completed the registration, and have not participated in the postponed or continued meeting, the number of shares attended at the affected shareholders’ meeting, the voting rights exercised and election rights shall be</u></p>		<p>Provision is newly added in accordance with the amendment of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” announced by the Stock Exchange.</p>

<p><u>included in the total number of shares, voting rights and election rights of shareholders present at the postponed or resumed meeting. During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors. If the teleconference shareholders' meeting cannot resume as described in Paragraph 2, and the total number of shares represented in attendance still meet the statutory quorum for the resolutions conducted after subtracting the number of shares that attended the meeting by virtual meeting, the meeting may still continue without needing a postponement or resumption in accordance with Paragraph 2. If the meeting should continue as mentioned in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agendas of that shareholders' meeting. If the Company postpones or resumes the meeting according to the provisions of Paragraph 2, the relevant preparation should be conducted based on the date of the original shareholders' meeting in accordance with Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. In accordance with the period specified by the 2nd half of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at shareholders' meetings of Public Companies and Paragraph 2, Article 44-5, Article 44-15 and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of shareholders' meeting in accordance with the provisions of Paragraph 2.</u></p>		
<p><u>Article 20 When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.</u></p>		<p>Provision is newly added in accordance with the amendment of the Sample Template for "XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings" announced by the Stock Exchange.</p>
<p><u>Article 21</u> (Omitted)</p>	<p><u>XXI.</u> (Omitted)</p>	<p>Adjust the article recording method.</p>
<p><u>Article 22</u> These Rules were duly enacted on March</p>	<p><u>XXII.</u> The Rules were duly enacted on March 15,</p>	<p>Added the date of</p>

<p>15, 1988.  The 1st amendment was made on May 12, 1999.  The 2nd amendment was made on June 25, 2002.  The 3rd amendment was made on June 4, 2013.  The 4th amendment was made on June 8, 2015.  The 5th amendment was made on June 24, 2019.  <u>The 6th amendment was made on June 5, 2023.</u></p>	<p>1988.  The 1st amendment was made on May 12, 1999.  The 2nd amendment was made on June 25, 2002.  The 3rd amendment was made on June 4, 2013.  The 4th amendment was made on June 8, 2015.  The 5th amendment was made on June 24, 2019.</p>	<p>amendment</p>
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# Shihlin Paper Co., Ltd.

Attachment 9

## Director Candidate Roster

Title	Name	Primary Educational Background	Primary Experience	No. of Shares Held
Director	Wan Hai Charitable Foundation	Not applicable	Director, Shihlin Paper Co., Ltd.	18,150,259 shares

## Articles of Incorporation of Shihlin Paper Co., Ltd.

Article 1: The Name of the Company is Shihlin Paper Co., Ltd. in accordance with the provisions of the Company Act regarding company limited by shares.

Article 2: The registered business of the Company is as follows:

A101020 Growing of Crops.  
 A101030 Growing of Special Crops.  
 A101040 Growing of Edible Fungi.  
 A102020 Agricultural Products Preparations.  
 A102050 Crops Cultivation.  
 A102060 Food Dealers.  
 C601020 Processed Paper Manufacturing.  
 C601030 Paper Containers Manufacturing.  
 C601040 Processed Paper Manufacturing.  
 F101130 Wholesale of Vegetables and Fruits.  
 F101990 Wholesale of Other Agricultural, Livestock and Aquatic Products.  
 F102050 Wholesale of Tea Leaves.  
 F102170 Wholesale of Foods and Groceries.  
 F106020 Wholesale of Daily Commodities.  
 F108040 Wholesale of Cosmetics.  
 F199990 Other Wholesale Trade.  
 F201010 Retail Sale of Agricultural Products.  
 F201990 Retail Sale of Other Agricultural, Livestock and Aquaculture Products.  
 F203010 Retail Sale of Food, Grocery and Beverage.  
 F206020 Retail Sale of Daily Commodities.  
 F208040 Retail Sale of Cosmetics.  
 F399040 Retail Sale No Storefront.  
 F401010 International Trade.  
 F501060 Restaurants.  
 H701040 Specific Area Development.  
 H701060 New Towns, New Community Development.  
 H703100 Real Estate Leasing.  
 ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total amount of the Company's investment is not restricted by Article 13 of the Company Act.

Article 3-1: The company may provide endorsement/guarantee to external parties.

Article 4: The Company is located in Taipei City and may set up a production and marketing organization at an appropriate location.

Article 5: Deleted.

Article 6: The Company's total registered capital is NT\$2.8 billion, divided into 280 million shares, with a par value of NT\$10 per share, which may be issued in tranches.

Article 7: The Company's shares are registered and are issued after being signed or stamped by the Chairman and at least three directors, alongside the Company's seal and tax ID number, and certified in accordance with the law. The Company may be exempted from the printing hard copies of the stock certificates but has to register with the central depository of securities.

Article 8: The transfer of share ownership shall be suspended within 60 days prior to a general shareholders' meeting, 30 days before convening an extraordinary shareholders' meeting, or 5 days prior to the record date of the Company's distribution of dividends, bonuses, or other benefits.

Article 9: The Company's shareholders' meeting is divided into two types: general meetings and extraordinary meetings. The general meeting is held once a year, which is held within six months after the final accounts of each year are ready, and the extraordinary meeting is convened when necessary. The date, location, and reason for the convening of the general shareholders' meeting shall be contained in a notice to shareholders within 30 days before the meeting and announced accordingly while the date, location, and reason for the convening of an extraordinary shareholders' meeting shall be contained in a notice to shareholders within 15 days before the meeting and announced accordingly

The shareholders' meeting mentioned in the preceding paragraph shall be convened by the board of directors, unless otherwise provided by the Company Act.

For shareholders who hold less than 1 thousand shares of the registered stock, the notice of the convening of the meeting in the preceding paragraph may be announced by way of public announcement.

The shareholders' meetings may be held by virtual meeting or other means announced by the competent authority.

Article 9-1: If shareholders are unable to attend the shareholders' meeting for any reason, they may appoint a proxy to attend the meeting.

The regulations on attendance at shareholders' meetings by proxy are in accordance with the Regulations Governing the Use of Proxies for Attendance at shareholders' meetings of Public Companies promulgated by the Financial Supervisory Commission (FSC), unless otherwise provided by the Company Act.

Article 10: The Chairman shall chair shareholders' meetings. In case that the Chairman is on leave or cannot exercise his power and authority for any reason, the Vice Chairman shall act on his behalf. In case that the Vice Chairman is also on leave or unable to exercise his power and authority for any reason, the Chairman shall designate one director to act on his behalf. In the absence of such designation, the directors shall elect from among themselves an acting chair.

The shareholders' meeting mentioned in the preceding paragraph shall be handled in accordance with the Company's Rules of Procedure for Shareholders' Meetings.

Article 10-1: Unless otherwise specified in the Company Act, resolutions in a shareholders' meeting shall be adopted by a majority vote in the meeting which is attended by shareholders representing a majority of the total issued shares. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting.

The meeting minutes as mentioned in paragraph 1 may be distributed by means of public announcement.

The meeting minutes shall record the date and place of the meeting, the name of the chair, the method of adopting resolutions, a summary of the essential points of the proceedings, and the results. The minutes shall be kept persistently throughout the life of the Company.

The shareholders' meeting sign-in book and the powers of attorney of the proxies shall be kept for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the final ruling of the action.

Article 11: The shareholders present at a shareholders' meeting of the Company is entitled to one vote for each share held, except when restricted under Article 157, Sub-paragraph 3 of the Company Act or without voting rights as listed under Article 179, Paragraph 2 of the Company Act.

Article 12: The Company shall establish 7 seats of directors and the nomination system shall be adopted; the shareholders shall elect the candidates on the list. The term of office is 3 years and can be renewed if reelected.

Of all the aforementioned number of seats of directors, at least 3 shall be reserved for independent directors and the seats of independent directors shall account for at least one-fifth of the total seats of directors and the nomination system shall be adopted. The shareholders shall elect the candidates on the list to act as independent directors. The professional qualification, shareholding, concurrent job position limitation, determination of independence, nomination, election methods, and implementation of responsibilities for independent directors, as well as other necessary compliance matters shall be handled in accordance with the Securities and Exchange Act as well as relevant laws and regulations.

The board of directors shall elect a chairman of the board from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. All the affairs of the Company shall be carried out in accordance with the laws, Articles of Incorporation, and the resolutions adopted by the shareholders' meeting and the board of directors. The shares held by all directors shall be handled in accordance with the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the FSC.

Article 13: The 24th board of directors of the Company established the Audit Committee, composed of all independent directors. The committee shall be formed with at least three members. One of them shall be the convener and at least one member shall have expertise in accounting or finance. The implementation of responsibilities, the committee charter, and other compliance matters shall be subject to relevant laws and regulations or the Company's Articles of Incorporation.

Article 14: The Company's operating policies and other important matters are determined by the board of directors. Except for the first meeting of the board of directors that shall be convened in accordance with Article 203 of the Company Act, the Chairman shall convene board meetings and serve as the chair of the meetings. Where the Chairman cannot perform his duties, the Vice Chairman shall act on his behalf, and where the Vice Chairman cannot perform his duties, the Chairman shall designate a director to act on his behalf. In the absence of such designation, attending directors shall elect from among themselves an acting chair. Where a director fails to attend a board meeting for any reason, he/she may appoint another director to act on his/her behalf.

Article 14-1: The resolutions of the Board of Directors, unless otherwise stipulated by the Company Act, shall be approved by a majority vote at a meeting attended by a majority of the directors. The resolutions shall be recorded in the meeting minutes and signed or stamped by the chair.

Article 15: The Company shall engage one President and may engage several Vice Presidents and Assistant Vice Presidents, and their appointment and dismissal shall be approved by a majority vote of all the directors.

Article 16: The Company's annual final accounts shall be prepared at the end of December each year. The board of directors shall prepare the following documents and submit them to the general shareholders' meeting for ratification in accordance with the legal procedures.

- (I) Business report.
- (II) Financial statements.
- (III) Proposal for earnings distribution and deficit compensation.

Article 17: Where the Company makes a profit at the end of the year, it shall allocate 1% of the balance for employee remuneration. However, where there are accumulated losses, an equivalent amount shall be appropriated to compensate for the losses.

Employees entitled to receive the employee remuneration, distributed in the form of stock or cash, in the preceding paragraph include the employees of subordinate companies who meet certain criteria.

Article 17-1: Where there is a surplus in the Company's annual final accounts, the Company shall first pay taxes and compensate the accumulated losses; then, appropriate 10% of the balance for legal reserve and another 10% for the payment for dividends. If there is still a surplus, the shareholders' meeting shall decide on the distribution of shareholders' dividends.

The Company's industrial environment is ever-changing and it is at a stage of development. The Company shall consider the overall industrial environment and take into account the long-term financial planning and future capital needs to achieve stable development and sustainable operation.

The Company's dividend policy is based on the current year's profitability and the consideration for the Company's future growth, capital budgeting, and measurement of capital needs. After the Company retains earnings or reserves the fund needed for stock dividends, the remaining surplus will be distributed for cash dividends.

Article 18: The Company's Articles of Incorporation are separately formulated by the board of directors.

Article 19: Matters not specified in the Articles of Incorporation shall be handled in accordance with the provisions of the Company Act and relevant laws and regulations.

Article 20: The Articles of Incorporation were formulated on June 29, 1958. The first amendment was made on December 5, 1959. The second amendment was made on March 26, 1962. The third amendment was made on December 20, 1962. The fourth amendment was made on April 15, 1963. The fifth amendment was made on March 23, 1966. The sixth amendment was made on March 18, 1967. The seventh amendment was made on June 28, 1968. The eighth amendment was made on May 10, 1969. The ninth amendment was made on March 2, 1970. The 10th amendment was made on March 10, 1971. The 11th amendment was made on March 25, 1972. The 12th amendment was made on March 10, 1973. The 13th amendment was made on March 16, 1974. The 14th amendment was made on February 28, 1976. The 15th amendment was made on March 15, 1977. The 16th amendment was made on August 15, 1977. The 17th amendment was made on March 1, 1978. The 18th amendment was made on March 3, 1979. The 19th amendment was made on March 5, 1980. The 20th amendment was made on March 3, 1981. The 21st amendment was made on March 20, 1982. The 22nd amendment was made on March 17, 1983. The 23rd amendment was made on March 16, 1984. The 24th amendment was made on March 16, 1985. The 25th amendment was made on March 25, 1986. The 26th amendment was made on March 27, 1987. The 27th amendment was made on March 15, 1988. The 28th amendment was made on March 31, 1989. The 29th amendment was made on May 14, 1990. The 30th amendment was made on April 29, 1991. The 31st amendment was made on May 30, 1994. The 32nd amendment was made on May 8, 1995. The 33rd amendment was made on April 23, 1996. The 34th amendment was made on May 23, 2000. The 35th amendment was made on May 28, 2001. The 36th amendment was made on June 25, 2002. The 37th amendment was made on June 30, 2003. The 38th amendment was made on June 23, 2004. The 39th amendment was made on June 13, 2007. The 40th amendment was made on June 15, 2010. The 41st amendment was made on June 21, 2012. The 42nd amendment was made on June 4, 2013. The 43rd amendment was made on June 27, 2014. The 44th amendment was made on June 8, 2015. The 45th amendment was made on June 8, 2016. The 46th amendment was made on June 24, 2019. The 47th amendment was made on June 5, 2023.

## Rules of Procedure for Shareholders' Meetings

- I. The Rules of Procedure for shareholders' meetings of the Company, except as otherwise provided by law, regulation or the Articles of Incorporation, shall be as provided in the Rules.
- II. Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an ordinary shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the ordinary shareholders' meeting or before 15 days before the date of the extraordinary shareholders' meeting. The shareholders' meeting shall prepare the Meeting Agenda Handbook and supplementary data of the meeting available to all shareholders and display them at the Company and the shareholder services agent 15 days prior to the shareholders' meeting and shall have the same handed out on-the-spot the shareholders' meeting. The shareholders' meeting shall prepare the Meeting Agenda Handbook and supplementary data of the meeting available to all shareholders and display them at the Company and the shareholder services agent 15 days prior to the shareholders' meeting and shall have the same handed out on-the-spot the shareholders' meeting.

A meeting notice or meeting announcement shall contain information including the cause of meeting. With the approval of the counterparty, such notices or announcements shall be made electronically.

The issues regarding election or dismissal of the directors, amendment to the Articles of Incorporation, dissolution of the Company, merger, demerger, or issues set forth under Paragraph 1 of Article 185 of the Company Act, and Article 26-1 and Article 43-6 of Securities and Exchange Act shall be expressly enumerated under the cause for convening the meeting and shall not be put forth through extempore motions.

A shareholder who holds more than 1% of the aggregate total of the outstanding shares may pose a proposal to the regular shareholders' meeting but each proposal may contain only one issue. The issue beyond one shall not be accredited as an issue. Besides, where a proposal posed by a shareholder proves to have fallen upon any single one among those enumerated under Paragraph 4, Article 172-1 of the Company Act, the board of directors may not accredit it as an issue under the agenda.

The Company shall promulgate before convening of the regular shareholders' meeting to entertain proposals posed by shareholders before the Company suspends the transfer of stocks. The location and timeframe to entertain proposals shall not be shorter than a minimum of 10 days.

An issue proposed by a shareholder shall not exceed the maximum of 300 Chinese characters; an issue that exceeds 300 Chinese characters shall not be entered into the agenda. A shareholder who submits a proposal shall participate in the shareholders' meeting either in person or by proxy and

shall participate in the discussion process of the issue so proposed.

The Company shall keep the proposing shareholders informed of the results in handling their proposals before the notice of the shareholders' meeting is served and shall have the proposals meeting the requirements set forth under this Article included in the agenda. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

- III. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing a power of attorney issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; unless the preceding proxy is declared withdrawn.

After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

- IV. The Company shall furnish the attending shareholders or proxies entrusted by shareholders (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

Shareholders shall hand in their attendance cards, sign-in cards, or other attendance certificates to attend the shareholders' meeting; power of attorney solicitors shall carry their identity documents with them for verification.

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

- V. The presence and voting in a shareholders' meeting shall be duly calculated based on the number of shares.

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

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.

On an issue under discussion in a shareholders' meeting, a shareholder who is an interested party in such issue that is likely to impair the interests of the Company shall not join the voting process, nor shall he or she exercise voting rights as a proxy for another shareholder.

The number of shares mentioned in the preceding paragraph that could not be exercised for voting rights shall not be counted as the voting rights of the shareholders who are already present in the meeting.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

On the day of a shareholders' meeting, the Company shall compile a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of said statement at the place of the shareholders' meeting.

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

VII. Where the board of directors convene a shareholders' meeting, the Chairman of the Company shall preside over the meeting. In the absence of the Chairman or if the Chairman cannot perform their duties, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. Where there is no seat of a Vice Chairman, in the absence of the Vice Chairman or where the Vice Chairman cannot perform their duties, the Chairman shall designate one director to preside over the meeting. In the absence of such designation, the directors shall elect from among themselves an acting chair.

Where a shareholders' meeting is convened by another convener beyond the board of directors, such meeting shall be chaired by that convener. In the event that there are 2 or more conveners, one shall be elected from among themselves to chair the meeting.

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

IX. Shareholder's meetings of the Company must be recorded in video or audio, and kept for at least 1 year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

X. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution approved with a majority vote of attending shareholders may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

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

- XI. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

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

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

- XII. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. In case the content of the speech delivered on the floor is inconsistent with the content in the speech slip, the former shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chairperson shall stop any violation.

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

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

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

- XIII. The chair shall grant adequate opportunities for clarification and discussion on an amendment or extempore motions posed by a shareholder. Upon the time believed to be up for resolution, the chair may announce discontinuation from a discussion and put the issue for resolution.

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

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the

preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The counting of the votes at the shareholders' meeting shall be conducted publicly at the shareholders' meeting, and the results of the vote shall be announced on the spot and recorded in the meeting minutes.

- XV. Where directors are elected in a shareholders' meeting, the election shall be duly conducted in accordance with relevant election guidelines defined by the Company. The outcome of the election shall be announced on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

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

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

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

- XVII.XVII. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

The chair is to consult the motion ready for balloting with the attendees at the meeting and it is deemed as having been passed if there are no objections raised.

- XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected,

and no further voting shall be required.

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

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

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

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.

XX. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System (MOPS).

The meeting minutes shall properly record the date and place of the meeting, the name of the chair, the method of adopting resolutions, a summary of the essential points of the proceedings, and the results. The minutes shall be kept persistently throughout the life of the Company.

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

XXI. The Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

XXII. The Rules were formulated on March 15, 1988.

The 1st amendment was made on May 12, 1999.

The 2nd amendment was made on June 25, 2002.

The 3rd amendment was made on June 4, 2013.

The 4th amendment was made on June 8, 2015.

The 5th amendment was made on June 24, 2019.

**Rules of Procedure for Shareholders' Meetings**

Article 1 The Rules of Procedure for shareholders' meetings of the Company, except as otherwise provided by law, regulation or the Articles of Incorporation, shall be as provided in the Rules.

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

When the Company convenes a virtual shareholders' meeting unless the Regulations Governing the Administration of Shareholder Services of Public Companies specify others, the articles of incorporation shall describe procedures in detail, the resolution of the board of directors shall be adopted, and the virtual shareholders' meeting shall be attended by more than two-thirds of the directors of the board and with the resolution made based on the consents of a majority of attending directors.

Any changes to the convening of a shareholders' meeting shall be resolved in a board meeting, which should be completed at the latest before the notice of the shareholders' meeting is sent.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an ordinary shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the ordinary shareholders' meeting or before 15 days before the date of the extraordinary shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

- I. For physical shareholders' meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

A meeting notice or meeting announcement shall contain information including the cause of meeting. With the approval of the counterparty, such notices or announcements shall be made electronically.

The issues regarding election or dismissal of the directors, amendment to the Articles of Incorporation, dissolution of the Company, merger, demerger, or issues set forth under Paragraph 1 of Article 185 of the Company Act, and Article 26-1 and Article 43-6 of Securities and Exchange Act shall be expressly enumerated under the cause for convening the meeting and shall not be put forth through extempore motions.

A shareholder who holds more than 1% of the aggregate total of the outstanding shares may pose a proposal to the regular shareholders' meeting but each proposal may contain only one issue. The issue beyond one shall not be accredited as an issue. Besides, where a proposal posed by a shareholder proves to have fallen upon any single one among those enumerated under Paragraph 4, Article 172-1 of the Company Act, the board of directors may not accredit it as an issue under the agenda.

The Company shall promulgate before convening of the regular shareholders' meeting to entertain proposals posed by shareholders before the Company suspends the transfer of stocks. The location and timeframe to entertain proposals shall not be shorter than a minimum of 10 days.

An issue proposed by a shareholder shall not exceed the maximum of 300 Chinese characters; an issue that exceeds 300 Chinese characters shall not be entered into the agenda. A shareholder who submits a proposal shall participate in the shareholders' meeting either in person or by proxy and shall participate in the discussion process of the issue so proposed.

The Company shall keep the proposing shareholders informed of the results in handling their proposals before the notice of the shareholders' meeting is served and shall have the proposals meeting the requirements set forth under this Article included in the agenda. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 3 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing a power of attorney issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; unless the preceding proxy is declared withdrawn.

After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Should the shareholder decide to attend shareholders' meeting by virtual meeting after a proxy form has been received by the Company, a written notice must be sent to the

Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw the proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

#### Article 4

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

Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly marked and stationed with competent personnel. Check-in to the virtual meeting platform of the shareholders' meeting should be completed at least 30 minutes before the meeting starts, those who complete the check-in are considered to have attended the meeting in person.

Shareholders shall hand in their attendance cards, sign-in cards, or other attendance certificates to attend the shareholders' meeting; power of attorney solicitors shall carry their identity documents with them for verification.

The Company shall furnish the attending shareholders or proxies entrusted by shareholders (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

Shareholders who would like to attend the virtual meeting of shareholders' meeting should register with the Company at least two days before the shareholders' meeting.

Article 4-1 To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - (II) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
  - (III) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders'

meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agendas of that shareholders' meeting.

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

III. To convene a virtual shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

#### Article 5

The presence and voting in a shareholders' meeting shall be duly calculated based on the number of shares.

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

The chair shall call the meeting to order at the appointed meeting time, and shall also announce information related to the number of shares having no voting rights and the number of shares represented by the attending shareholders.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution approved with a majority vote of attending shareholders may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 4.

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

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.

On an issue under discussion in a shareholders' meeting, a shareholder who is an interested

party in such issue that is likely to impair the interests of the Company shall not join the voting process, nor shall he or she exercise voting rights as a proxy for another shareholder.

The number of shares mentioned in the preceding paragraph that could not be exercised for voting rights shall not be counted as the voting rights of the shareholders who are already present in the meeting.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 6 The venue for a shareholders' meeting shall be the county or city where the Company is located, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent Directors with respect to the place and time of the meeting.

If the shareholders' meeting is held by virtual meeting, it is not subject to the restriction on the revenue as specified in the preceding paragraph.

Article 7 Where the board of directors convenes a shareholders' meeting, the Chairman of the Company shall preside over the meeting. In the absence of the Chairman or if the Chairman cannot perform their duties, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. Where there is no seat of a Vice Chairman, in the absence of the Vice Chairman or where the Vice Chairman cannot perform their duties, the Chairman shall designate one director to preside over the meeting. In the absence of such designation, the directors shall elect from among themselves an acting chair.

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

The shareholders' meeting convened by the board of directors shall be personally hosted by the chairman of the board. More than half of the directors and at least one representing member of various functional committees shall attend the meeting, and the attendance shall be recorded in the meeting minutes.

Where a shareholders' meeting is convened by another convener beyond the board of directors, such meeting shall be chaired by that convener. In the event that there are 2 or more conveners, one shall be elected from among themselves to chair the meeting.

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

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

The recorded materials of the preceding paragraph shall be retained for at least one year.

However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

For the shareholders' meetings held by virtual meeting, the Company shall retain records of the shareholders' registration, login, check-in, questioning, voting and vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire meeting.

The above-mentioned materials and audio and video recordings shall be properly retained by the Company during the period of existence, and they shall be provided to those who are entrusted with handling virtual meeting tasks.

#### Article 9

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, and relevant proposals (including extraordinary motions and original proposal revisions) shall adopt the voting method for each proposal. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

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

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

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

#### Article 10

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. In case the content of the speech delivered on the floor is inconsistent with the content in the speech slip, the former shall prevail.

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

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

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

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

For the shareholders' meetings held by virtual meeting, the shareholders who attend the meeting by virtual meeting may raise their questions in text form on the virtual meeting platform after the chair announces the start of the meeting and before the chair announces the ending of the meeting. A shareholder may not raise their questions more than twice for a single motion, and each question is limited to 200 words. These do not apply to the requirements of Paragraphs 1 to 5.

The abovementioned questions which do not violate the rules or do not exceed the scope of the motion should be disclosed on the virtual meeting platform as public knowledge.

#### Article 11

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

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

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

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

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of

the voting rights represented by the attending shareholders. The Company is advised to arrange for their shareholders to vote on each separate proposal, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System (MOPS).

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

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

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

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

For the shareholders' meetings held by virtual meeting, the votes shall be counted once after the chair announces the close of voting, and the results of the voting and election will be announced.

For the shareholders' meetings also held by virtual meeting, shareholders, solicitors or entrusted proxies who have already registered to attend the meetings by virtual meeting in accordance with the provisions of Article 4 but wish to attend the physical meetings shall take the procedures same as the registration to cancel their registration at least 2 days before the meeting. Those who fail to cancel the registration on time can only attend the meetings by virtual meeting.

Those who exercise their voting rights by correspondence or by electronic means without retracting their voting rights already exercised and participate in shareholders' meetings by virtual meeting shall not exercise their voting rights on the original motion, propose amendment to the original motion or exercise their voting rights on the revision of the original motion, except for extraordinary motions.

#### Article 12

Where directors are elected in a shareholders' meeting, the election shall be duly conducted in accordance with relevant election guidelines defined by the Company. The outcome of the election shall be announced on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

Article 13 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 14 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or armband bearing the word "Proctor."

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

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

Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System (MOPS).

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. These records are to be kept permanently during the Company's existence.

The minutes of the shareholders' meeting held by virtual meeting should record the items mentioned the preceding paragraph, the starting and ending time of the meeting, the convening method the meeting, the name of the chair and the meeting minute taker, the measures taken when the virtual meeting platform or the teleconference experiences force majeure.

To convene a virtual shareholders' meeting, not only to follow the preceding paragraphs, but also appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Article 16 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event of

a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least thirty minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

When the shareholder meeting by virtual meeting is announced to start, the number of voting rights of the attending shareholders is disclosed on the virtual meeting platform. The same applies when the total number of shares and the number of voting rights in attendance are compiled again during the meeting.

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

Article 17 In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and elections immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least fifteen minutes after the chair has announced the meeting adjourned.

Article 18 When the Company convenes a virtual shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 19 In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

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

If the meeting should be postponed or continued as mentioned in the preceding paragraph, shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend such shareholders' meeting.

If the meeting should be postponed or continued as mentioned in Paragraph 2, shareholders who have registered to participate in the affected virtual shareholders' meeting, completed the registration, and have not participated in the postponed or continued meeting, the number of shares attended at the affected shareholders' meeting, the voting rights exercised and election rights shall be included in the total number of shares, voting rights and election rights of shareholders present at the postponed or resumed meeting.

During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or a list of elected directors and supervisors.

Article 20 If the teleconference shareholders' meeting cannot resume as described in Paragraph 2, and the total number of shares represented in attendance still meet the statutory quorum for the resolutions conducted after subtracting the number of shares that attended the meeting by virtual meeting, the meeting may still continue without needing a postponement or resumption in accordance with Paragraph 2.

If the meeting should continue as mentioned in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agendas of that shareholders' meeting.

If the Company postpones or resumes the meeting according to the provisions of Paragraph 2, the relevant preparation should be conducted based on the date of the original shareholders' meeting in accordance with Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

In accordance with the period specified by the 2nd half of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at shareholders' meetings of Public Companies and Paragraph 2, Article 44-5, Article 44-15 and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of shareholders' meeting in accordance with the provisions of Paragraph 2.

When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 21 The Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

The Rules were formulated on March 15, 1988.

The 1st amendment was made on May 12, 1999.

The 2nd amendment was made on June 25, 2002.

The 3rd amendment was made on June 4, 2013.

The 4th amendment was made on June 8, 2015.

The 5th amendment was made on June 24, 2019.

The 6th amendment was made on June 5, 2023.

**Shihlin Paper Co., Ltd.**  
**Procedures for Election of Directors**

- Article 1: The election of directors of the Company shall be conducted in accordance with these Procedures.
- Article 2: The election of directors of the Company shall be held at the shareholders' meeting.
- Article 3: The election of directors of the Company shall be by single cumulative registered voting system.
- Article 4: In the election of directors of the Company, each share shall have the same number of voting rights as the number of directors to be elected, which may be cast collectively for a single candidate or split among several candidates Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.  
The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system as set forth in Article 192-1 of the Company Act, and the shareholders shall elect from the list of candidates for directors and independent directors.
- Article 5: The number of directors will be as specified in the Company's Article of incorporation, with voting rights separately calculated for independent and non-independent directors. Those receiving the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of directors, they shall draw lots to determine, with the chair drawing lots for those not in attendance.
- Article 6: When the election begins, the chair should appoint a number of persons as vote monitoring, calling and counting personnel to perform the respective duties of vote monitoring, calling and counting.
- Article 7: The Board of Directors should prepare election ballots corresponding to the number of directors to be elected, specify the number of voting rights on the ballots and distribute the ballots to the shareholders attending the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. For shareholders who exercise their election rights electronically, no separate election ballots will be issued.
- Article 8: The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting begins.
- Article 9: If a candidate is a shareholder, voters must indicate the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the candidate's name and identification number should be indicated. However, when the candidate is a government or a corporation, the name of the government or the corporation should be indicated in the column for the candidate's account name on the ballot, or both the name of the government or the corporation and the name of its representative can be indicated. When there are several representatives, the name of each representative should be indicated respectively.
- Article 10: A ballot is invalid if any of the following is true:
- (I) Do not use ballots prepared in accordance with the Procedures.
  - (II) Put void ballots into the ballot box.
  - (III) The name of the person filled in to be elected is not a candidate.
  - (IV) The name of the candidate is the same as that of other shareholders without the shareholder's account number or identification number for verification purposes.
  - (V) In addition to the account name and shareholder account number, identification number of the person to be elected and the number of voting rights allocated, other words are included.
  - (VI) Two or more persons to be elected are listed on the same ballot.
  - (VII) The handwriting is blurred and unrecognizable or has been altered.
  - (VIII) Fill in the ballot and alter it afterwards.
  - (IX) Tear up the ballot so that it is incomplete.

- Article 11: If a ballot is invalid or otherwise disputed, the validity of the ballot shall be determined by the vote monitoring personnel.
- Article 12: The ballot boxes are set up for the election of directors, and the ballots are counted on the spot after the voting. The ballot boxes shall be opened by the vote monitoring personnel and the ballots shall be counted, called by the respective personnel. The results of the vote counting shall be announced by the chair on the spot, including the list of directors elected and the number of their elected rights.  
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.
- Article 13: An elected director shall be deemed to be unwilling to take office and shall forfeit his or her eligibility for election if he or she fails to give his or her consent to serve within the period notified by the Company.
- Article 14: The Procedures shall come into effect upon the approval of the shareholders' meeting, and the same applies to any amendment
- Article 15: The Procedures were made on June 25, 2002.  
The 1st amendment was made on June 27, 2014.  
The 2nd amendment was made on June 8, 2015.  
The 3rd amendment was made on June 24, 2019.

# Shihlin Paper Co., Ltd. Shareholdings of Directors

**Appendix 5**

Book closure date of the shareholders' meeting: April 7, 2023

Title	Name	Date of	Term	Shares Held When Elected		Shares Held at Present	
		(elected to) office		Shares	Percentage of Shareholding	Shares	Percentage of Shareholding
Chairman	Tai Shih Trading Co., Ltd.	2022.06.14	3 years	904,667	0.35	904,667	0.35
Director	Yee Tzao Enterprise Co., Ltd.	2022.06.14	3 years	825,905	0.32	825,905	0.32
Director	Yi Xiang Co., Ltd.	2022.06.14	3 years	800,000	0.31	800,000	0.31
Director	Vacancy	-	-	-	-	-	-
Independent Director	Ming-Chu Chen	2022.06.14	3 years	0	0	0	0
Independent Director	Ming-Chien Tang	2022.06.14	3 years	0	0	0	0
Independent Director	Hsiao-Chueh Hsieh	2022.06.14	3 years	0	0	0	0
Total directors' shareholdings				2,530,572	0.98	2,530,572	0.98

1. The Company's paid-in capital is NT\$2,600,391,210, and has issued 260,039,121 outstanding shares.
2. As stipulated in Article 26 of the Securities and Exchange Act, all directors shall hold a minimum of 12,000,000 shares.
3. As the Company has established an Audit Committee, the minimum percentage of all supervisors' shareholdings is not applicable.
4. Original Corporate Director Taiwan Evervaliant Corp. resigned on December 6, 2022.

**Shareholder Proposals**

Description of processing of shareholder proposals for this general shareholders' meeting

- Description: (I) Shareholder proposals are handled in accordance with Article 172-1 of the Company Act.
- (II) On the book closure date of the shareholders' meeting, shareholders holding more than 1% of the Company's total outstanding shares may submit proposals to the Company.
- (III) Each proposing shareholder shall submit only one proposal, and the content of the proposal is limited to 300 characters (including text and punctuation). Otherwise, it will not be included in the agenda of the shareholders' meeting. The proposing shareholders shall attend the shareholders' meeting in person or by proxy to discuss their own proposals.
- (IV) Acceptance period: March 20, 2023 to March 29, 2023.
- (V) The Company did not receive any shareholder proposal.