

Stock Code: 1903

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Shihlin Paper Co., Ltd.

2024 Annual General Meeting of Shareholders'

Meeting Agenda

Date: June 18, 2024

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

Shihlin Paper Co., Ltd.

Procedure for the 2024 General Shareholders' Meeting

- I. Call the meeting to order
- II. Opening Speech by the Chairperson
- III. Reports
- IV. Ratification Items
- V. Questions and Motions
- VI. Adjournment

Shihlin Paper Co., Ltd.

2024 Annual General Shareholders' Meeting Agenda

Time: 9:00 a.m. on Tuesday, June 18, 2024

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. 2023 Business Report
 2. Endorsement/Guarantee and Financing Provided to Others As of the End of 2023
 3. Audit Committee's Review Report on the 2023 Financial Statements
 4. Amendment to the "Rules of Procedure of Board of Directors' Meetings" of the Company
- IV. Ratification Items
 1. Ratification of 2023 Financial Statements and Business Report
 2. Ratification of 2023 Deficit Compensation Statement
- V. Questions and Motions
- VI. Adjournment

Reports

<Report No. 1>

Proposal: 2023 Business Report, proposed for review.

Description: For the 2023 Business Report of the Company, please refer to Attachment 1 (pages 6 to 11).

<Report No. 2>

Proposal: Report on Endorsement/Guarantee and Financing Provided to Others As of the End of 2023, 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.

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.

II. The amount of financing provided by the Company to the subsidiary Shihlin Environment Corporation: NT\$300 million, with the actual amount of NT\$22.35 million drawn.

<Report No. 3>

Proposal: Audit Committee's Review Report on the 2023 Financial Statements, proposed for review.

Description: For the Audit Committee's Review Report of the 2023 Business Report, Financial Statements, Proposal for Earnings Distribution, please refer to Attachment 2 (page 12)

<Report No. 4>

Proposal: Report on Amendment to the “Rules of Procedure of Board of Directors’ Meetings” of the Company, proposed for review.

Description: I. Amended in accordance with the requirements of Jin-Guan-Zheng-Fa-Zi No. 1120383996 issued by the Financial Supervisory Commission on January 11, 2024.

II. The Company's "Rules of Procedure for Board of Directors Meetings" was amended by resolution of the Board of Directors on March 13, 2024. For the comparison table of the provisions before and after the amendment, please refer to Attachment 3 (pp. 13-14).

Ratification Items

<Report No. 1>

Proposed by the Board of Directors

Subject: 2023 Financial Statements and Business Report, proposed for ratification.

Description: I. The Company's standalone and consolidated financial statements for 2023, 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 6 to 11) and Attachment 4 (pages 15 to 31).

III. Please proceed to ratify them.

Resolution:

<Report No. 2>

Proposed by the Board of Directors

Subject: 2023 Deficit Compensation Statement, proposed for ratification.

Description: I. The Company's Deficit Compensation Statement for compensation of losses for 2023 prepared in accordance with the provisions of the Company Act and the Company's Articles of Incorporation were approved by the Board of Directors, please refer to Attachment 5 (page 32).

II. Please proceed to ratify them.

Resolution:

Questions and Motions

Adjournment

Shihlin Paper Co., Ltd. 2023 Business Report

I. 2023 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 2023. 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 post-pandemic era, 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 2023. 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 gradually. The skincare products, including the new products of Forest Fruit series pomegranate polyphenol skincare product, the 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 2023, 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 has 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. The high quality of the products has also been recognized by 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 and professional. The R&D team will also continue to develop more innovative and extension products (skincare 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 2023

Unit: NTD thousand

Consolidated Statement of Comprehensive Income	2023	2022	Change (%)
Net operating income	171,105	165,058	3.66
Gross profit	84,954	76,145	11.57
Net operating loss	(64,656)	(103,224)	(37.36)
Net profit	86,352	211,780	(59.23)

2. Overview of Business Plan for 2024

(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 expand the market share and operating performance, and improve the brand profitability.
2. In response to the advent of the era of low birthrate, the increasing demands of consumers for product enhancement, and the growth of the adult market, the Company will continue to optimize product integration and efficient products suitable for channels according to market

demand (ingredients, packaging, etc.) in order to facilitate long-term high turnover rate.

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. Meanwhile, the CRM system of the e-commerce platform will be improved. Cultivate brand loyal customers.

(II) Forest Beauty

1. The operation direction of the Company this year is to stabilize the market with sales and marketing, improve brand awareness and product exposure through marketing planning and promotion, and optimize the market channel structure to improve operating performance.
2. Products that emphasized cost-effectiveness in line with consumers' habits in the early days had resulted in astonishingly high sales performance. However, affordable products without high quality would cause skin discomfort, which has led to a change in demand and consumption structure. Based on the cost/value concept, Forest Beauty's high quality and affordable features will lead to a revolution in the facial mask market. It allows consumers to pay more attention to safe, effective, and harmless products suited for their personal skin in addition to the price.
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. Meanwhile, the CRM system of the e-commerce platform will be improved. Cultivate brand loyal customers.

III. Future development strategy

(I) Long- and short-term business development plans

1. Sales strategy

- (1) Develop new customer groups based on product positioning, and formulate marketing strategies based on product and function differentiation.

- (2) Revitalize the brand's image, keep abreast of consumer needs, and innovate and copy successful models in order 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) Grasp the market dynamics and develop differentiated and customized products in order to facilitate the development and successful launch of new products.
- (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.

4. Impacts from the external competitive environment

(I) Baby Lion

1. The sales region of the Company's main products is mainly in the domestic market, divided into two areas: northern, central and southern regions, and plans to stabilize the Taiwan market.
2. Future supply and demand status and growth: According to the statistics from professional market surveys and research institutions, the wet wipes market continues to grow, with safety and professionalism as the mainstream. The Company will plan various functional products according to different consumer groups, and develop natural products and ones with patented formulas 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 product collections developed 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 with many brands and sufficient resources, the Company can only adopt marketing strategies to attract consumers and expand market share.

(II) Forest Beauty

1. The sales region of Forest Beauty is mainly in the domestic market, divided into two 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 skincare products with unique patented formulas 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 product collections developed 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. 2023 Annual business report

- (I) The land development project for the former site of the Shilin Paper Mill was implemented in accordance with the "Taipei City Shilin District Urban Plan Review (Detailed Plan) (Phase 3)" announced by the Taipei City Government on June 13, 2023. This includes procedures for park donations and urban renewal development. In addition, some buildings in the plant area were designated as historic buildings by the resolution of the Taipei City Government's 140th Cultural Assets Review Committee on September 27, 2021. The Taipei City Department of Cultural Affairs held the first review meeting for the "Shilin Paper Mill Historical Building Restoration and Reuse Project" on July 25, 2023, with plans for the second group review meeting to be held in the future. This project aims to achieve goals such as increasing investment efficiency, promoting regional prosperity, and shaping the urban environment through overall development.
- (II) The construction permit application for the Warehouse No. 5 Hotel urban renewal project was completed in the second quarter of 2020 (a hotel building with 12 levels above ground and three levels underground), and the application for construction was completed in the third quarter of 2020, and the concrete pouring for the 11th-floor slab was finished by the end of 2023.
- (III) The development project at No. 18 Fude Road is slated to construct a new hotel building with ten levels above ground and three levels underground. In the third quarter of 2020, the hazardous old building reconstruction plan was completed, and the construction permit was obtained in the second quarter of 2022. The application for construction was completed in the second quarter of 2022, engineering contracting and signing were finalized in the third quarter of 2023, and the demolition of existing above-ground structures was completed in the fourth quarter of 2023.
- (IV) As the two lots of Land No. 669-3 and 669-15 in Guanghua Subsection 2 were added to the adjacent land lot 635 in 2022, and the change of redevelopment plan for hazardous old buildings was completed in the second quarter of 2023. Currently, adjustments are being made to the modified design plans, and it is anticipated that the modification design work and construction project contracting will be completed in 2024.
- (V) Regarding the participation in the joint construction project with Nian Feng Construction Co., Ltd. at Land No. 901, Subsection 2, Datong Section, the hazardous old building reconstruction plan was completed in the first quarter of 2021, and the construction permit application was completed in September 2021. For the reassignment, except for the storefront and one parking space on the first floor, the pre-sale contract for the remaining 7 rooms and 6 parking spaces was signed in the first quarter of 2022.

- (VI) In the fourth quarter of 2022, Sunshine Papersun Hotel transitioned from being an epidemic prevention hotel back to a regular hotel. The former affiliated restaurant was renamed "Between Breaths" and began operating to provide breakfast and brunch to both hotel guests and external guests. Additionally, Papersun Cafe at Neihu expanded and adjusted its food and beverage offerings in 2023 to increase overall revenue.

II. Overview of 2024 Development Plan

- (I) The development project for the old site of Shilin Paper Mill is scheduled to convene the second cultural assets committee review meeting for the Shilin Paper Mill Historical Building Restoration and Reuse Project in the first quarter of 2024. Additionally, the urban renewal and right transfer plan will be submitted in the fourth quarter of 2024.
- (II) For the No. 5 Warehouse Hotel urban renewal project, it is expected that the structural work will be completed in the first quarter of 2024, the exterior and interior decoration work will start in the second quarter, and the use permit is expected to be obtained in the fourth quarter.
- (III) Apart from converting Sunshine Shihlin Paper Sun Hotel into a general hotel and diversified restaurant portfolio, the Company will continue to integrate various resources this year to expand revenue, occupancy rate, and overall operating revenue.
- (IV) The collaboration project involving Land No. 635, 669-3, and 669-15 in Guanhua Section 2 aims to construct an eleven-story residential building with three basement levels. Currently, adjustments to the initial design drawings are underway. It is anticipated that the design modifications will be completed in the middle of 2024, with the commencement of engineering contracting and sales operations in the second half of 2024.
- (V) On the self-owned land at No. 18 Fufu Road, a hotel building with ten levels above ground and three levels underground is built. The diaphragm wall construction is scheduled to be completed in the first quarter of 2024; the earthwork and safety support works are scheduled to be completed in the second quarter of 2024; the structural engineering of the first-floor base plate will be completed in the third quarter of 2024; the structural engineering of the fifth-floor base plate will be completed in the fourth quarter of 2024. The license is scheduled to be obtained in the third quarter of 2026.
- (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. Future development strategy

Sunshine Shihlin Development Co., Ltd. is a sustainable company, conducting the best management of its own land assets and re-planning and decorating existing properties according to the conditions of its self-owned land to improve the per ping efficiency and occupancy rate, and activate the idle land by planning the use of parking lots. In addition, the Company will continue to integrate other lands with development potential. Through joint constructions, urban renewal, or redevelopment of old buildings, it aims to diversify its operations into areas such as hotels, residential properties, commercial offices, restaurants, and shopping malls, creating niche opportunities for the Company. In the future, the goal is to preserve the cultural context of Shilin District and enhance the overall regional value, working together to create maximum benefits.

IV. Responding to the external competitive environment

With the gradual easing of the COVID-19 pandemic and the gradual reopening of borders, domestic tourism is also picking up. Papersun Hotel returned to operating as a regular hotel in the fourth quarter of 2022. In the future, the Company will continue to integrate various resources to increase occupancy rates, and the restaurant will also open to the public to boost overall revenue.

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 proceeded with joint development and self-construction operations. The Company also completed the building permit applications for two new projects in the Guanghua section and pre-sales for the joint development project in the Datong section.

In 2023, the global economy continued to be impacted by the COVID-19 pandemic. The domestic construction industry faced significant challenges due to rising raw material costs and severe labor shortages, which greatly affected the progress and costs of new construction projects. In the future, the Company will continue to closely monitor fluctuations of construction costs and labor shortage in the macro environment, and make appropriate countermeasures and adjustments.

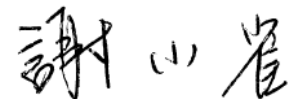
In view of the gradual recovery of the housing market in 2024, the Company's projects in development are transitioning to operational status according to plan. However, the volatile situation globally significantly affects fluctuations in raw material prices. Additionally, domestic political and regulatory adjustments continue to cause industry fluctuations. Investors are becoming more conservative in their assessments. Therefore, the Company's business expansion follows a more cautious approach, carefully evaluating the impact of each factor to successfully achieve its set goals.

Audit Committee's Review Report

The Board of Directors submitted the Company's 2023 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
2024 General Shareholders' Meeting of Shihlin Paper Co., Ltd.

Convener of the Audit Committee : Hsiao-Chueh Hsieh



March 13, 2024

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 8	<p>During the Company's board meetings, the management department (or the designated unit appointed by the board) should have relevant documents prepared for the attending directors to reference at any time.</p> <p>Depending on the content of the agenda, personnel from the relevant departments or subsidiaries may be notified to attend the board meeting. If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting.</p> <p>The chairperson shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chairperson may announce a postponement of the meeting time <u>on the same day</u>, 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 still not met after two postponements, the chairperson shall convene the meeting in accordance with the procedures specified in Article 3, Paragraph 2.</p> <p>All Directors referred to in the</p>	<p>During the Company's board meetings, the management department (or the designated unit appointed by the board) should have relevant documents prepared for the attending directors to reference at any time.</p> <p>Depending on the content of the agenda, personnel from the relevant departments or subsidiaries may be notified to attend the board meeting. If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting.</p> <p>The chairperson shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chairperson may announce a postponement of the meeting. The number of such postponements is limited to two, for a combined total of no more than one hour. If the quorum is still not met after two postponements, the chairperson shall convene the meeting in accordance with the procedures specified in Article 3, Paragraph 2.</p> <p>All Directors referred to in the</p>	<p>Amended in accordance with the Financial Supervisory Commission's FSC Order No. 1120383996 dated January 11, 2024</p>

Article order	Amended articles	Original articles	Description
	preceding paragraph and Subparagraph 2, Paragraph 2, Article 16 shall be counted as the actual number of persons currently in office.	preceding paragraph and Subparagraph 2, Paragraph 2, Article 16 shall be counted as the actual number of persons currently in office.	
Article 11	<p>The board meeting of the Company shall proceed in accordance with the agenda scheduled in the meeting notice. However, it may be changed with the consent of more than half of the attending directors.</p> <p>The chairperson shall not announce the meeting adjourned without the consent of more than half of the attending directors.</p> <p>During a board meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairperson shall announce the suspension of the meeting, and the provisions of paragraph 3 of Article 8 shall apply.</p> <p><u>Paragraph 3 of Article 7 shall apply to the appointment of proxies in the event the chairperson is unable to preside over the board meeting or fails to adjourn the meeting in accordance with the provisions of paragraph 2.</u></p>	<p>The board meeting of the Company shall proceed in accordance with the agenda scheduled in the meeting notice. However, it may be changed with the consent of more than half of the attending directors.</p> <p>The chairperson shall not announce the meeting adjourned without the consent of more than half of the attending directors.</p> <p>During a board meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairperson shall announce the suspension of the meeting, and the provisions of paragraph 3 of Article 8 shall apply.</p>	Amended in accordance with the Financial Supervisory Commission's FSC Order No. 1120383996 dated January 11, 2024
Article 17 " Supplementary Provisions"	<p>This Rules of Procedure shall be implemented after approved by the Board of Directors and reported to the shareholders' meeting.</p> <p>This Rules of Procedure was made on January 1, 2007.</p> <p>The 1st amendment was made on</p>	<p>This Rules of Procedure shall be implemented after approved by the Board of Directors and reported to the shareholders' meeting.</p> <p>This Rules of Procedure was made on January 1, 2007.</p> <p>The 1st amendment was made</p>	Revise the text and provide a record of the amendments

Article order	Amended articles	Original articles	Description
	<p>April 27, 2007.</p> <p>The 2nd amendment was made on March 27, 2008.</p> <p>The third amendment was made on December 21, 2012.</p> <p>The fourth amendment was made on August 10, 2016.</p> <p>The fifth amendment was made on May 9, 2018.</p> <p>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.</p> <p>The 7th amendment was made on March 26, 2020.</p> <p>The 8th amendment was made on November 9, 2022.</p> <p><u>The 9th amendment was made on March 13, 2024.</u></p>	<p>on April 27, 2007.</p> <p>The 2nd amendment was made on March 27, 2008.</p> <p>The third amendment was made on December 21, 2012.</p> <p>The fourth amendment was made on August 10, 2016.</p> <p>The fifth amendment was made on May 9, 2018.</p> <p>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.</p> <p>The 7th amendment was made on March 26, 2020.</p> <p>The 8th amendment was made on November 9, 2022.</p>	

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

Opinion

We have audited the financial statements of Shihlin Paper Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of material 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, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for January 1 to December 31, 2023 and 2022 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, 2023. 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, 2023 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 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, 2023 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, 2024

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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Asset			December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY			December 31, 2023		December 31, 2022	
Code	Accounting Items	Note	Amount	%	Amount	%	Code	Accounting Items	Note	Amount	%	Amount	%
Current assets							Current liabilities						
1100	Cash and cash equivalents	(IV) and (VI)	\$ 155,478	2.95	\$ 50,688	0.82	2100	Short-term borrowings	(VI)	\$ 800,000	15.15	\$ 921,000	14.98
1120	Financial Assets at FVTOCI	(IV) and (VI)	2,109,953	39.96	3,058,871	49.74	2110	Short-term bills payable	(VI)	117,994	2.24	-	-
							2170	Accounts payable	(VII)	8,939	0.17	10,708	0.17
1136	Financial assets at amortized cost	(IV) and (VI)	30,705	0.58	-	-	2200	Other payables	(VII)	10,650	0.20	13,442	0.22
1170	Net accounts receivable	(IV), (VI), and (VII)	53,315	1.01	55,000	0.89	2300	Other current liabilities		179	0.00	187	0.00
1200	Other receivables	(IV) and (VII)	30,751	0.58	8,473	0.14	21XX	Total current liabilities		<u>937,762</u>	<u>17.76</u>	<u>945,337</u>	<u>15.37</u>
1300	Net balance of inventory	(IV) and (VI)	632	0.01	960	0.02							
1410	Prepayments	(VII)	2,049	0.04	4,211	0.07							
1470	Other current assets		177	0.00	98	0.00							
11XX	Total current assets		<u>2,383,060</u>	<u>45.13</u>	<u>3,178,301</u>	<u>51.68</u>	Non-current liabilities						
							2570	Deferred tax liabilities		29,405	0.56	29,405	0.48
							2645	Guarantee deposits received		11,378	0.21	11,378	0.18
							25XX	Total non-current liabilities		<u>40,783</u>	<u>0.77</u>	<u>40,783</u>	<u>0.66</u>
							2XXX	Total liabilities		<u>978,545</u>	<u>18.53</u>	<u>986,120</u>	<u>16.03</u>
non-current assets							Equity						
1517	Financial Assets at FVTOCI	(IV) and (VI)	7,358	0.14	7,439	0.12							
1551	Investment under equity method	(IV) and (VI)	2,736,803	51.83	2,805,432	45.61	3100	Share capital	(VI)				
1600	Property, Plant and Equipment	(IV), (VI), and (VIII)	10,285	0.20	35,351	0.58	3110	Share capital of ordinary shares		2,600,391	49.25	2,600,391	42.28
1760	Investment Property	(IV), (VI), and (VIII)	136,986	2.59	116,747	1.90		Retained earnings	(VI)				
1780	Intangible asset	(IV) and (VI)	4,462	0.08	5,952	0.10	3320	Special reserve		1,532,258	29.02	1,532,258	24.92
1920	Refundable deposits		289	0.01	289	0.00	3350	Deficit to be offset		<u>(1,394,475)</u>	<u>(26.41)</u>	<u>(1,480,765)</u>	<u>(24.08)</u>
1975	Net defined benefit assets	(IV) and (VI)	767	0.02	783	0.01	3300	Total retained earnings		<u>137,783</u>	<u>2.61</u>	<u>51,493</u>	<u>0.84</u>
15XX	Total non-current assets		<u>2,896,950</u>	<u>54.87</u>	<u>2,971,993</u>	<u>48.32</u>	3400	Other equity interest		<u>1,563,291</u>	<u>29.61</u>	<u>2,512,290</u>	<u>40.85</u>
							3XXX	Total equity		<u>4,301,465</u>	<u>81.47</u>	<u>5,164,174</u>	<u>83.97</u>
Total assets			<u>\$ 5,280,010</u>	<u>100.00</u>	<u>\$ 6,150,294</u>	<u>100.00</u>	Total liabilities and equity			<u>\$ 5,280,010</u>	<u>100.00</u>	<u>\$ 6,150,294</u>	<u>100.00</u>

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

Shihlin Paper Co., Ltd.
Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

Code	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	(IV), (VI), and (VII)	\$ 128,649	100.00	\$ 132,098	100.00
5000	Operating costs	(VI) and (VII)	69,818	54.27	69,848	52.88
5900	Gross operating profit		58,831	45.73	62,250	47.12
5910	Less: Unrealized sales profits		323	0.25	-	-
5920	Add: Realized sales profits		-	-	977	0.74
5950	Net operating profit		58,508	45.48	63,227	47.86
	Operating expenses					
6100	Selling expenses	(VII)	39,170	30.44	39,623	29.99
6200	Administrative expenses	(VII)	35,145	27.32	35,816	27.11
6300	R&D expenses	(VII)	3,586	2.79	3,525	2.67
6000	Total operating expenses		77,901	60.55	78,964	59.77
6900	Operating losses		(19,393)	(15.07)	(15,737)	(11.91)
	Non-operating revenue and expense					
7010	Other income	(VI) and (VII)	191,771	149.06	347,884	263.35
7020	Other gains and losses	(VI)	(1,591)	(1.24)	(185)	(0.14)
7050	Financial costs	(VI)	(16,129)	(12.54)	(10,850)	(8.21)
7070	Share of profit or loss of subsidiaries accounted for using the equity method	(IV)	(68,306)	(53.09)	(109,332)	(82.77)
7000	Total non-operating revenue and expenses		105,745	82.19	227,517	172.23
7900	Net income before tax		86,352	67.12	211,780	160.32
7950	Income tax expense	(IV) and (VI)	-	-	-	-
8200	Net income for the current period		86,352	67.12	211,780	160.32
	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)	(62)	(0.05)	303	0.23
8316	Unrealized gains (losses) on investments in equity instruments at FVTOCI	(IV)	(948,999)	(737.66)	(3,505,026)	(2,653.35)
8300	Total other comprehensive income (net of tax) for the current period		(949,061)	(737.71)	(3,504,723)	(2,653.12)
8500	Total comprehensive income (loss) for the current period for the current period		\$ (862,709)	(670.59)	\$ (3,292,943)	(2,492.80)
	Earnings per share					
9750	Basic earnings per share	(VI)	\$ 0.33		\$ 0.81	

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

Shihlin Paper Co., Ltd.
Statements of Changes In Equity
For the Years Ended December 31, 2023 and 2022
(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, 2022	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
Net profit for 2023	-	-	-	86,352	86,352	-	86,352
Other comprehensive income for 2023	-	-	-	(62)	(62)	(948,999)	(949,061)
Total comprehensive income for 2023	-	-	-	86,290	86,290	(948,999)	(862,709)
Balance as of December 31, 2023	260,039	\$ 2,600,391	\$ 1,532,258	\$ (1,394,475)	\$ 137,783	\$ 1,563,291	\$ 4,301,465

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

Shihlin Paper Co., Ltd.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Net income before tax for the current period	\$ 86,352	\$ 211,780
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	6,841	7,426
Amortization expense	1,490	1,459
Interest expense	16,129	10,850
Interest income	(1,269)	(222)
Dividend income	(190,282)	(347,383)
Share of profit or loss of subsidiaries accounted for using the equity method	68,306	109,332
Unrealized sales profits	323	-
Realized sales profits	-	(977)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	1,685	(6,429)
Increase in other receivables	(22,278)	(7,452)
Decrease (increase) in inventories	328	(76)
Decrease (increase) in prepayments	2,162	(2,019)
Increase in other current assets	(79)	(30)
Increase in net defined benefit assets	(46)	(38)
Decrease in contract liability	-	(9)
Increase (decrease) in accounts payable	(1,769)	405
Increase (decrease) in other payables	(2,139)	1,679
Decrease in other current liabilities	(8)	(84)
Cash outflow generated from operations	(34,254)	(21,788)
Interest received	1,269	222
Dividends received	190,282	348,817
Net cash inflow from operating activities	157,297	327,251
Cash flows from investing activities:		
Increase in AC financial assets	(30,705)	-
Acquisition of Financial Assets at FVTOCI	-	(600)
Acquisition of investments under equity method	-	(200,000)
Acquisition of Property, Plant and Equipment	(767)	(787)
Acquisition of investment property	(1,800)	(3,728)
Acquisition of intangible assets	-	(215)
Decrease in refundable deposits	-	59
Net cash used in investing activities	(33,272)	(205,271)

(Continued on the next page)

Shihlin Paper Co., Ltd.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

(Continued from the previous page)	<u>2023</u>	<u>2022</u>
Cash flows from financing activities:		
Short-term borrowings	\$ 3,802,500	\$ 4,153,000
Repayment of short-term loans	(3,923,500)	(3,604,000)
Borrowing of short-term bills payable	1,018,000	1,474,000
Repayment of short-term bills payable	(900,000)	(2,094,000)
Increase in guarantee deposit received	-	395
Interest paid	<u>(16,235)</u>	<u>(10,271)</u>
Net cash outflow from financing activities	<u>(19,235)</u>	<u>(80,876)</u>
Increase in cash and cash equivalents for the current period	104,790	41,104
Cash and cash equivalents at the beginning of the year	<u>50,688</u>	<u>9,584</u>
Cash and cash equivalents at year-end	<u><u>\$ 155,478</u></u>	<u><u>\$ 50,688</u></u>

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

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Shihlin Paper Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the years then ended 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, 2023. 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, 2023, the property, plant, and equipment of Shihlin Paper Group was NT\$1,717,729 thousand and the investment property was NT\$4,479,348 thousand. Assess whether or not there are any signs that tangible assets may have been impaired. 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. Because the total amount of tangible assets mentioned above was NT\$6,197,077 thousand (71.15% of the total consolidated assets), and the estimation of the recoverable amount involved many assumptions and estimates, the impairment assessment of tangible assets is a key audit matter.

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, 2023 and 2022, 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 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 of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from 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, 2023 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, 2024

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Shihlin Paper Co., Ltd. and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Asset			December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY			December 31, 2023		December 31, 2022	
Code	Accounting Items	Note	Amount	%	Amount	%	Code	Accounting Items	Note	Amount	%	Amount	%
Current assets							Current liabilities						
1100	Cash and cash equivalents	(IV) and (VI)	\$ 186,724	2.14	\$ 175,393	1.88	2100	Short-term borrowings	(VI)	\$ 2,255,000	25.89	\$ 2,339,000	25.15
1110	Financial Assets at FVTPL	(IV) and (VI)	1,053	0.01	786	0.01	2110	Short-term bills payable	(VI)	117,994	1.36	—	—
							2130	Contract liability	(IV) and (VII)	41,028	0.47	36,748	0.40
1120	Financial Assets at FVTOCI	(IV) and (VI)	2,109,953	24.23	3,058,871	32.90	2170	Accounts payable		8,999	0.10	10,784	0.12
1136	Financial assets at amortized cost	(IV) and (VI)	35,478	0.41	—	—	2200	Other payables	(VII)	86,747	1.00	35,455	0.38
1150	Note receivable	(IV) and (VI)	273	0.00	336	0.00	2300	Other current liabilities		917	0.01	482	0.00
1170	Net accounts receivable	(IV), (VI), and (VII)	52,662	0.61	52,695	0.57	21XX	Total current liabilities		2,510,685	28.83	2,422,469	26.05
1200	Other receivables	(IV)	1,293	0.02	4,591	0.05							
1300	Net balance of inventory	(IV) and (VI)	15,858	0.18	13,707	0.15	Non-current liabilities						
1410	Prepayments	(VI) and (VII)	42,505	0.49	32,212	0.35	2540	Long-term borrowings	(VI)	291,350	3.35	105,607	1.14
1470	Other current assets	(VI)	243	0.00	126	0.00	2570	Deferred tax liabilities		1,592,156	18.28	1,592,156	17.12
11XX	Total current assets		2,446,042	28.09	3,338,717	35.91	2645	Guarantee deposits received		13,468	0.15	13,882	0.15
							25XX	Total non-current liabilities		1,896,974	21.78	1,711,645	18.41
Non-current assets							2XXX	Total liabilities		4,407,659	50.61	4,134,114	44.46
1517	Financial Assets at FVTOCI	(IV) and (VI)	7,360	0.08	7,441	0.08	Equity attributable to owners of parent						
1600	Property, Plant and Equipment	(IV), (VI), and (VIII)	1,717,729	19.72	1,635,475	17.59	31XX	Share capital	(VI)				
1760	Investment Property	(IV), (VI), and (VIII)	4,479,348	51.43	4,260,464	45.82	3100	Share capital of ordinary shares		2,600,391	29.86	2,600,391	27.97
1780	Intangible asset	(IV) and (VI)	5,292	0.06	6,866	0.07	3110	Retained earnings	(VI)				
1920	Refundable deposits	(VII)	703	0.01	1,082	0.01	3320	Special reserve		1,532,258	17.59	1,532,258	16.48
1975	Net defined benefit assets	(IV) and (VI)	767	0.01	783	0.01	3350	Deficit to be offset		(1,394,475)	(16.01)	(1,480,765)	(15.93)
1900	Other non-current assets	(VI)	51,883	0.60	47,460	0.51	3300	Total retained earnings		137,783	1.58	51,493	0.55
15XX	Total non-current assets		6,263,082	71.91	5,959,571	64.09	3400	Other equity interest		1,563,291	17.95	2,512,290	27.02
							3XXX	Total equity		4,301,465	49.39	5,164,174	55.54
Total assets			\$ 8,709,124	100.00	\$ 9,298,288	100.00	Total liabilities and equity			\$ 8,709,124	100.00	\$ 9,298,288	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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

Code	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	(IV), (VI), and (VII)	\$ 171,105	100.00	\$ 165,058	100.00
5000	Operating costs	(VI) and (VII)	86,151	50.35	88,913	53.87
5900	Gross operating profit		84,954	49.65	76,145	46.13
	Operating expenses					
6100	Selling expenses	(VII)	59,377	34.70	60,196	36.47
6200	Administrative expenses	(VII)	85,893	50.20	114,644	69.46
6300	R&D expenses	(VII)	4,340	2.53	4,529	2.74
6000	Total operating expenses		149,610	87.43	179,369	108.67
6900	Operating losses		(64,656)	(37.78)	(103,224)	(62.54)
	Non-operating revenue and expense					
7010	Other income	(VI)	193,630	113.16	352,545	213.59
7020	Other gains and losses	(VI)	(1,529)	(0.89)	(9,722)	(5.89)
7050	Financial costs	(VI)	(41,093)	(24.02)	(27,819)	(16.85)
7000	Total non-operating revenue and expenses		151,008	88.25	315,004	190.85
7900	Net income before tax		86,352	50.47	211,780	128.31
7950	Income tax expense	(IV) and (VI)	-	-	-	-
8200	Net income for the current period		86,352	50.47	211,780	128.31
	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)	(62)	(0.04)	303	0.18
8316	Unrealized gains (losses) on investments in equity instruments at FVTOCI	(IV)	(948,999)	(554.63)	(3,505,026)	(2,123.51)
8300	Total other comprehensive income (net of tax) for the current period		(949,061)	(554.67)	(3,504,723)	(2,123.33)
8500	Total comprehensive income (loss) for the current period for the current period		\$ (862,709)	(504.20)	\$ (3,292,943)	(1,995.02)
8600	Net profit (loss) attributable to					
8610	Owners of the parent company		\$ 86,352	50.47	\$ 211,780	128.31
8620	Non-controlling interests		-	-	-	-
			\$ 86,352	50.47	\$ 211,780	128.31
8700	Total comprehensive income attributable to					
8710	Owners of the parent company		\$ (862,709)	(504.20)	\$ (3,292,943)	(1,995.02)
8720	Non-controlling interests		-	-	-	-
			\$ (862,709)	(504.20)	\$ (3,292,943)	(1,995.02)
	Earnings per Share					
9750	Basic earnings per share	(VI)	\$ 0.33		\$ 0.81	

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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	Equity attributable to owners of parent						
	Share capital		Retained earnings			Other items of equity	
	Shares (thousand)	Amount	Special reserve	Deficit to be offset	Total retained earnings	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Total Equity
Balance as of January 1, 2022	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
Net profit for 2023	-	-	-	86,352	86,352	-	86,352
Other comprehensive income for 2023	-	-	-	(62)	(62)	(948,999)	(949,061)
Total comprehensive income for 2023	-	-	-	86,290	86,290	(948,999)	(862,709)
Balance as of December 31, 2023	260,039	\$ 2,600,391	\$ 1,532,258	\$ (1,394,475)	\$ 137,783	\$ 1,563,291	\$ 4,301,465

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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Net income before tax for the current period	\$ 86,352	\$ 211,780
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	12,967	13,314
Amortization expense	1,574	1,544
Net gain on financial assets at FVTPL	(257)	(11)
Interest expense	41,093	27,819
Interest income	(1,956)	(146)
Dividend income	(190,282)	(347,383)
Net loss on disposal of property, plant and equipment	-	330
Loss from disposal of investment property	160	9,564
Changes in operating assets and liabilities:		
Decrease in notes receivable	63	156
Decrease (increase) in accounts receivable	33	(2,782)
Increase (decrease) in other receivables	3,298	(3,570)
Decrease (increase) in inventories	(2,151)	4,951
Increase in prepayments	(10,293)	(9,974)
Increase in other current assets	(117)	(27)
Increase in net defined benefit assets	(46)	(38)
Increase in contract liability	4,280	28,990
Increase (decrease) in accounts payable	(1,785)	357
Increase (decrease) in other payables	1,262	(5,853)
Increase (decrease) in other current liabilities	435	(48)
Cash outflow generated from operations	(55,370)	(71,027)
Interest received	1,956	146
Dividends received	190,282	347,383
Net cash inflow from operating activities	136,868	276,502

(Continued on the next page)

Shihlin Paper Co., Ltd. and its Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

(Continued from the previous page)	2023	2022
Cash flows from investing activities:		
Acquisition of Financial Assets at FVTOCI	\$ -	\$ (602)
Decrease (Increase) in financial assets at amortized cost	(35,478)	4,322
Acquisition of financial Assets at FVTPL	(53,000)	-
Proposal of financial assets at FVTPL	52,990	10,509
Acquisition of Property, Plant and Equipment	(261,443)	(162,681)
Acquisition of investment property	(2,582)	(26,236)
Acquisition of intangible assets	-	(215)
Decrease (increase) in refundable deposits	379	(475)
Increase in other non-current assets	(4,423)	(47,460)
Net cash used in investing activities	(303,557)	(222,838)
Cash flows from financing activities:		
Short-term borrowings	10,270,500	11,603,000
Repayment of short-term loans	(10,354,500)	(10,820,000)
Borrowing of short-term bills payable	1,018,000	1,482,500
Repayment of short-term bills payable	(900,000)	(2,261,000)
Borrowing of long-term loans	185,743	105,287
Decrease in guarantee deposits received	(414)	(225)
Interest paid	(41,309)	(26,335)
Net cash inflow from financing activities	178,020	83,227
Increase in cash and cash equivalents for the current period	11,331	136,891
Cash and cash equivalents at the beginning of the year	175,393	38,502
Cash and cash equivalents at year-end	\$ 186,724	\$ 175,393

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

Shihlin Paper Co., Ltd.

2023 Deficit Compensation Statement



Unit: NTD thousand

Amount

Cumulative loss at the beginning of the period	
Re-measurement of defined benefit plans for 2023 reclassified to retained earnings	(1,480,765)
Net profit after tax for the year	(62)
Cumulative loss at the end of the period	86,352
	(1,394,475)

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 1,000 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 teleconferencing or other means announced by 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 twenty 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.

Shihlin Paper Co., Ltd.

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, fifteen 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. The handbook and supplementary materials referred to in the preceding paragraph shall be made available to the shareholders for reference by the Company on the day of the shareholders meeting in the following manners:

- 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 transfer of stocks. The location and timeframe to entertain proposals shall not be shorter than the 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 teleconferencing 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 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 teleconferencing 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 teleconferencing 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 follow 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:
 - (1) 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.
 - (2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (3) 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.
 - (4) 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 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 teleconferencing, 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 teleconferencing, 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 teleconferencing 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 teleconferencing, the shareholders who attend the meeting by teleconferencing may raise their questions in text form on the teleconferencing 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 teleconferencing 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.

Shareholders attending the shareholders' meeting via video conference shall conduct the voting on various proposals and election proposals through the video conference platform after the chairperson has announced the meeting through video conference, and shall complete the voting on various proposals and election proposals before the chairperson announces the end of the voting period; any votes submitted after this time will be considered abstentions.

For the shareholders' meetings held by teleconferencing, 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 teleconferencing, shareholders, solicitors or entrusted proxies who have already registered to attend the meetings by teleconferencing 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 teleconferencing.

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 teleconferencing 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 twenty 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 teleconferencing should record the items mentioned in the preceding paragraph, the starting and ending time of the meeting, the convening method of the meeting, the name of the chair and the meeting minute taker, the measures taken when the teleconferencing 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 teleconferencing is announced to start, the number of voting rights of the attending shareholders is disclosed on the teleconferencing platform. The same shall apply to the statistics on the total number of shares and the number of voting rights of the shareholders present at 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 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 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.

In the event of the aforementioned meeting that should be postponed or continued, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the postponed or continued meeting.

For the meeting that should be postponed or continued according to the provisions of paragraph 2, shareholders who registered to participate in the original shareholder meeting via video conference and completed the registration but did not participate in the postponed or continued meeting, their attended shares, exercised voting rights, and election rights at the original shareholder meeting should be included in the total shares, voting rights, and election rights of the shareholders attending the postponed or continued 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 teleconferencing, the meeting may still continue without needing a postponement or resumption in accordance with Paragraph 2.

If a shareholder participates in the shareholders' meeting by way of video conference on any matter that should be proceeded with the meeting in the

preceding paragraph, their number of shares in attendance shall be counted in the total number of shares held by the shareholders in attendance, but the votes shall be deemed as their abstention on all proposals at the 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 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. Shareholdings of All Directors

Book closure date of the shareholders' meeting:

April 20, 2024

Title	Name	Date of	Term	Shareholdings at the time of elected office		Current shareholdings	
		(elected to) office		Shares	Percentage of Shareholding	Shares	Percentage of Shareholding
Chairman	Tai Shih Trading Co., Ltd.	June 14, 2022	3 years	904,667	0.35	904,667	0.35
Director	Yee Tzao Enterprise Co., Ltd.	June 14, 2022	3 years	825,905	0.32	825,905	0.32
Director	Yi Xiang Co., Ltd.	June 14, 2022	3 years	800,000	0.31	800,000	0.31
Director	Wan Hai Charitable Foundation	June 5, 2023	2 years	18,150,259	6.97	18,150,259	6.97
Independent Director	Ming-Chu Chen	June 14, 2022	3 years	0	0	0	0
Independent Director	Ming-Chien Tang	June 14, 2022	3 years	0	0	0	0
Independent Director	Hsiao-Chueh Hsieh	June 14, 2022	3 years	0	0	0	0
Total directors' shareholdings				20,680,831	7.95	20,680,831	7.95

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.

Handling of Shareholders' 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 participate in the discussion of their own proposals.

(IV) Acceptance period: April 3, 2024 to April 15, 2024 at 9:00 a.m.

(V) The Company did not receive any shareholder proposal.