

Stock Code:4721

Mechema Chemicals International Corp.

2024 Annual Shareholders' Meeting Handbook



Time: 9:00 a.m. on June 20, 2024 (Tuesday)

Venue: 4F, No.1, Datong 1st Road, Caota Village, Guanyin District, Taoyuan City (office building of the Company)

Table of Contents

	Page
One. Meeting Procedure.....	2
Two. Meeting Agenda.....	3
I. Matters to be Reported.....	4
II. Matters to be Ratified.....	5
III. Matters to be Discussed.....	7
IV. Extempore Motions.....	7
V. Adjournment.....	7
Three. Attachments	
I. 2023 Business Report.....	8
II. Audit Committee’s Review Report.....	9
III. Independent Auditor’s Report - Individual Statements.....	10
IV. 2023 Individual Financial Statements.....	15
V. Independent Auditor’s Report - Consolidated Statements.....	21
VI. 2023 Consolidated Financial Statements.....	24
VII. Comparison Table for the Amendment to the Rules of Procedures for Board Meetings.....	30
Four. Appendices	
I. Articles of Association.....	32
II. Rules of Procedures for Shareholders’ Meetings.....	39
III. Rules of Procedures for Board Meetings (before amendment).....	49
IV. The number of shares held by all Directors and the minimum number of shares to be held.....	55

One. Meeting Procedure for the 2024 Annual Shareholders' Meeting of Mechema Chemicals International Corp.

1. Call the meeting to order (report the number of shares represented by the attending shareholders and shareholders' agents)
2. Address by the chairperson
3. Matters to be reported
4. Matters to be Ratified
5. Matters to be Discussed
6. Extempore Motions
7. Meeting adjournment

Two. Agenda of the 2024 Annual Shareholders' Meeting of Mechema Chemicals International Corp.

- I. Time: 9:00 a.m. on June 20, 2024 (Thursday)
- II. Venue: 4F, No.1, Datong 1st Road, Caota Village, Guanyin District, Taoyuan City (office building of the Company)
- III. Form of shareholders' meeting: Physical
- IV. Report the number of shares present
- V. Call the meeting to order
- VI. Address by the chairperson
- VII. Matters to be Reported
 - 1. The Company's 2023 business report.
 - 2. Audit Committee's review of the Company's 2023 final accounts.
 - 3. Distribution of the Company's 2023 employees' remuneration and directors' remuneration.
 - 4. Amendment to the Company's "Rules of Procedures for Board Meetings."
- VIII. Matters to be Ratified
 - 1. The Company's 2023 business report and financial statements.
 - 2. The Company's 2023 loss appropriation proposal.
- IX. Matters to be Discussed
 - 1. Distribution of cash dividends from legal reserve.
- X. Extempore Motions
- XI. Adjournment

I. Matters to be reported

Proposal 1

Subject: The Company's 2023 business report is proposed for review.

Description: Please refer to Attachment 1 on page 8 of the Handbook for the 2023 business report.

Proposal 2

Subject: The Audit Committee's review report of the Company's 2023 final accounts is proposed for review.

Description: Please refer to Attachment 2 on page 9 of the Handbook for the Audit Committee's Review Report.

Proposal 3

Subject: The Company's distribution of 2023 employees' remuneration and Directors' remuneration is proposed for review.

Description: The Company's distribution of employees' remuneration and Directors' remuneration is set out as follows, and the payments will be made in cash.

Unit: NT\$

Distribution items	Amount proposed by the Board (A)	Estimated amount in the year of expense recognition (B)	Difference (A-B)	Reasons for differences and handling
Employees' remuneration	1, 250, 000	1, 250, 000	0	None
Directors' remuneration	365, 000	365, 000	0	None

Proposal 4

Subject: The amendment to the "Rules of Procedures for Board Meetings" of the Company is proposed for review.

Description: 1. In accordance with the resolution of the Company's 4th meeting of the 12th-term Board of Directors on March 13, 2024.

1. The Comparison Table for the Amendment to the "Rules of Procedures for Board Meetings" is enclosed; please refer to Attachment 7 on page 30 of the Handbook.

II. Matters to be Ratified

Proposal 1

(Proposed by the Board)

Subject: The Company's 2023 business report and financial statements are proposed for ratification.

- Description:
1. In accordance with the resolution of the Company's 4th meeting of the 12th-term Board of Directors on March 13, 2024.
 2. The Company's 2023 business report, individual balance sheet, consolidated balance sheet, individual comprehensive income statement, consolidated comprehensive income statement, individual cash flow statement, consolidated cash flow statement, individual statement of changes in equity, and consolidated statement of changes in equity have been prepared by the Company itself and submitted to and approved by the Board of Directors according to laws and regulations. The CPAs Yung-Ming Chiu and Chin-Chuan Shih of Deloitte Taiwan were commissioned to audit the statements above and issue an auditor's report accordingly. After the review by the Audit Committee, the auditor's report is found to be in conformity with the provisions of the Company Act and other relevant laws and regulations, and sufficient to properly express the 2023 operating results and financial situation.
 3. Please refer to Attachment 1 and Attachments 3 to 6 on page 8 and pages 10 to 29 of the Handbook, respectively.
 4. Please ratify the above.

Resolution:

Proposal 2

(Proposed by the Board)

Subject: 2023 loss appropriation proposal by the company, please ratify the above.

Description: 1. In accordance with the resolution of the Company's 4th meeting of the 12th-term Board of Directors on March 13, 2024. And have been sent and reviewed by the Audit Committee, Please refer to the table below for details.

**Mechema Chemicals International Corp.
2023 Loss Appropriation Table**

		Unit: NT\$
		Amount
Undistributed earnings at the beginning of the period		\$22, 307, 361
Plus: Remeasurement of the defined benefit plan recognized in the retained earnings		100, 888
Current loss		(24, 542, 892)
Losses to be offset		(2, 134, 643)
Items used to offset losses		
Legal reserve for offsetting losses		2, 134, 643
Undistributed earnings at the end of the period		\$0

**Principal: Lung-Tsai Yen
Hsun Tsai**

Manager: Lung-Tsai Yen

Accounting Officer: Wen-

4. Please ratify the above.

Resolution:

III. Matters to be Discussed

Proposal 1

Subject: The Company's proposal for the distribution of cash dividends from legal reserve for 2023 is proposed for discussion.

- Description: 1. In accordance with the resolution of the Company's 4th meeting of the 12th-term Board of Directors on March 13, 2024.
2. Article 241 of the Company Act stipulates that: "Where a company incurs no loss, it may distribute the legal reserve that exceeds 25% of its paid-in capital by issuing new shares or by cash in proportion to the original number of shares held by shareholders." The paid-in capital of the Company was NT\$749,863,040, and after the loss from 2023 (NT\$2,134,643) was offset, the accumulated legal reserve was NT\$169,678,156. It is proposed that the legal reserve exceeding 25% of the paid-in capital be distributed as cash dividends, with NT\$1.10 distributed in cash per share, totaling NT\$82,484,934. The balance of legal reserve after the distribution will be NT\$87,193,222. The Chairman is authorized to set the distribution record date and payment date, make decisions on other related matters, and make public announcements in accordance with the law.
3. If any subsequent changes in the number of the Company's common shares affect the number of the Company's outstanding shares and thus change the ratio of cash dividends to shareholders, the Chairman is authorized to make adjustments in accordance with the law.
4. This cash dividend shall be calculated according to the distribution proportion to NT\$1, and the amount less than NT\$1 shall be rounded off. For the total fractional amount, the Chairman is authorized to contact specific persons for adjustment.
5. Please make a resolution.

Resolution:

V. Extempore Motions

VI. Adjournment

Mechema Chemicals International Corp.

Business Report

The consolidated operating income of the Company in 2023 was NT\$2,316,364 thousand, representing a decrease of NT\$2,955,134 thousand or 56% from NT\$5,271,498 in 2022. The consolidated net operating profit in 2023 was NT\$115,074 thousand, showing a decrease of NT\$246,890 or 68% from NT\$361,964 in 2022. The consolidated net profit before tax in 2023 was NT\$4,937 thousand. However, as the loss of invested companies was unrealized loss, the income tax allocated amounted to NT\$29,480 thousand. As a result, the consolidated net loss after tax in 2023 was NT\$24,543 thousand.

In 2023, the quotations in the international commodity market fluctuated intensively. The average price per pound of cobalt, a major raw material of the Company, was US\$17.22, which decreased by 46% from the average price per pound of US\$31.73 in 2022. The Company's operating income declined as the price went down.

The year 2023 was characterized by turbulence around the world. In addition to the Russo-Ukrainian War, adverse factors including the continuing Israel–Palestine conflict, the collapse of regional financial institutions such as Silicon Valley Bank, and the US bond yield exceeding 5% depressed the performance of the financial market. Mechema's business performance is highly correlated with international cobalt and nickel prices. Our business performance declined due to a sharp fall in metal price. Although the principal of US\$1,500,000 invested in Powerfund was fully recovered in 2018, the Company failed to timely redeem accrued interest of NT\$43,068 thousand, resulting in a one-time non-operating loss. Thankfully, with the efforts of the Company's management team, the net profit before tax this year was still positive.

In the future, as the global EV market grows at a rate of 20% to 30% every year, our battery materials business will expand thanks to the demand in the EV supply chain. In addition to stabilizing the existing market, we invest capital expenditures to expand recycling production lines at home and abroad to increase gross profit, implement a circular economy and environmental protection, and achieve our ESG vision. We also hope to continuously create a better future and return for our shareholders.

[Attachment 2]

Audit Committee's Review Report

The Board of Directors has prepared the Company's business report, financial statements (including consolidated financial statements) and loss appropriation proposal for 2023. The financial statements (including the consolidated financial statements) have been audited by CPAs Chin-Chuan Shih and Yung-Ming Chiu of Deloitte Taiwan, and an audit report has been issued accordingly. The above-mentioned business report, financial statements (including consolidated financial statements), and loss appropriation proposal have been reviewed by the Audit Committee, with no discrepancy detected. Therefore, the report is issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act; kindly review and approve.

Mechema Chemicals International Corp.

Meng-Shiou Lee, Convener of the Audit Committee

March 13, 2024

Independent Auditor's Report

To: Mechema Chemicals International Corp.

Audit opinion

We have audited the individual balance sheets as of December 31, 2023 and 2022, and the individual statement of comprehensive income, individual statement of changes in equity, individual statement of cash flow, and notes to individual financial statements (including the summary of significant accounting policies) for the years then ended of Mechema Chemicals International Corp. ("Mechema").

In our opinion, the abovementioned individual financial statements present fairly, in all material respects, the individual financial position of Mechema as of December 31, 2023 and 2022, and its individual financial performance and its individual cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the Opinion

We performed the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from Mechema in accordance with the Code of Ethics and perform other obligations of such Code. 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 the most significance in our audit of the individual financial statements of Mechema for the year 2023. These matters were addressed in the context of our audit of the individual financial statements as

a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2023 individual financial statements of Mechema are described as follows:

Income recognition

The sales income of battery cathode materials of Mechema accounts for approximately 38% of its operating income, primarily due to the concentrated source of major operating income and sales targets of the Company; therefore, the management may have pressure to achieve the estimated operating targets. We believe that the income recognition of the part has material effects on the Company's operations; therefore, we include the income recognition of the part in the key audit matter.

Our audit procedures are as follows:

1. The focus of testing income transactions is whether effective orders from customers are actually obtained for sales.
2. Tests performed for internal control include whether the execution of sales orders has corresponding orders placed by customers, whether sales orders are appropriately approved by supervisors, and whether the "shipping orders" have been approved by the supervisors of the department and signed for receipt by customers.
3. Send letters for inquiries to confirm whether relevant income truly exists.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing Mechema's financial reporting process.

Auditor's Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term "reasonable assurance" refers to a high level of assurance. Nevertheless, the audit performed according to the auditing standards cannot guarantee the discovery of material misstatements in the individual financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the individual financial statements.

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

1. Identify and assess the risk of material misstatement of the individual financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of Mechema.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of Mechema have significant uncertainty, and provide a conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause Mechema to have no ability for continuous operation.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including relevant notes) and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of Mechema and provide opinions on the individual financial statements. We handle the

guidance, supervision and execution of the audit and are responsible for preparing the opinion for Mechema.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine key audit matters in the audit of Mechema's 2023 individual financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche
CPA Yung-Ming Chiu

CPA Chin-Chuan Shih

Financial Supervisory Commission
Approval Document No.
Jin-Guan-Zheng-Shen-Zi No.
1100356048

Securities and Futures Commission Approval
No.
Tai-Cai-Zheng-Liu-Zi No.
0930128050

March 13, 2024

Mechema Chemicals International Corp.
Individual Balance Sheet

December 31, 2023 and 2022

		December 31, 2023		December 31, 2022	
Code	Assets	Amount	%	Amount	%
Unit: NT\$ Thousand					
Current assets					
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 29,747	2	\$ 101,801	4
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	43,068	2
1170	Notes and accounts receivable (Notes 4, 8, and 17)	94,358	6	174,805	7
1180	Accounts receivable - related parties (Notes 4, 17, and 22)	89,294	5	490,834	20
1200	Other receivables (Note 4)	14,008	1	46,650	2
1210	Other receivables - related parties (Notes 4 and 22)	14,021	1	12,820	1
130X	Inventory (Notes 4 and 9)	182,446	11	300,657	12
1410	Prepayments (Note 13)	25,640	2	10,110	-
1479	Other current assets	19,307	1	19,053	1
11XX	Total current assets	468,821	29	1,199,798	49
Non-current assets					
1550	Investment accounted for using the equity method (Notes 4 and 10)	830,596	52	981,523	40
1600	Property, plant and equipment (Notes 4 and 11)	269,694	17	253,191	10
1755	Right-of-use assets (Notes 4 and 12)	141	-	657	-
1840	Deferred income tax assets (Notes 4 and 18)	12,054	1	12,476	1
1915	Prepayments for equipment	19,170	1	9,844	-
1920	Refundable deposit (Note 4)	2,918	-	3,203	-
1975	Net defined benefit assets - non-current (Notes 4 and 15)	2,013	-	1,741	-
1990	Other non-current assets	6,260	-	7,294	-
15XX	Total non-current assets	1,142,846	71	1,269,929	51
1XXX	Total assets	\$ 1,611,667	100	\$ 2,469,727	100
Code	Liabilities and equity				
Current liabilities					
2100	Short-term borrowings (Note 14)	\$ 329,701	21	\$ 789,473	32
2170	Notes and accounts payable	30,925	2	32,496	1
2200	Other payables (Note 22)	20,889	1	33,045	2
2230	Income tax liabilities of the period (Notes 4 and 18)	30,508	2	102,119	4
2280	Lease liabilities - current (Notes 4 and 12)	145	-	695	-
2320	Long-term borrowings due within one year (Note 14)	70,000	4	-	-
2330	Other current liabilities	2,444	-	5,268	-
21XX	Total current liabilities	484,612	30	963,096	39
Non-current liabilities					
2570	Deferred income tax liabilities (Notes 4 and 18)	5,317	-	5,421	-
2XXX	Total non-current liabilities	489,929	30	968,517	39
2XXX	Total liabilities	489,929	30	968,517	39
Equity					
Share capital (Note 16)					
3110	Ordinary share capital	749,863	47	749,863	30
3200	Capital reserve (Note 16)	24,825	2	24,825	1
Retained earnings (Note 16)					
3310	Legal reserve	359,278	22	321,008	13
3320	Special reserve	98,508	6	120,578	5
3350	Undistributed earnings	(2,135)	-	383,444	16
3300	Total retained earnings	455,651	28	825,030	34
Other equity (Notes 4 and 16)					
3410	Exchange differences from the translation of financial statements of foreign operations	(108,601)	(7)	(98,508)	(4)
3XXX	Total equity	1,121,738	70	1,501,210	61
Total liabilities and equity		\$ 1,611,667	100	\$ 2,469,727	100

The attached notes are part of the individual financial report.

Chairman: Lung-Tsai Yen

Manager: Lung-Tsai Yen

Accounting Officer: Wen-Hsun Tsai

Mechema Chemicals International Corp.
Individual Comprehensive Income Statement
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand, but NT\$1 for earnings
(loss) per share

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating income (Notes 4, 17, and 22)	\$ 1,833,738	100	\$ 5,110,732	100
5000	Operating costs (Notes 9, 17, and 22)	<u>1,611,554</u>	<u>88</u>	<u>4,691,229</u>	<u>91</u>
5900	Gross profit	222,184	12	419,503	9
5920	Realized gains with subsidiaries and joint ventures	<u>3,646</u>	<u>-</u>	<u>7,185</u>	<u>-</u>
5950	Realized net profit	<u>225,830</u>	<u>12</u>	<u>426,688</u>	<u>9</u>
	Operating expenses (Notes 17 and 22)				
6100	Marketing expenses	22,132	1	36,688	1
6200	Management expenses	32,490	2	40,277	1
6300	R&D expenses	<u>15,300</u>	<u>1</u>	<u>14,450</u>	<u>-</u>
6000	Total operating expenses	<u>69,922</u>	<u>4</u>	<u>91,415</u>	<u>2</u>
6900	Net profit	<u>155,908</u>	<u>8</u>	<u>335,273</u>	<u>7</u>
	Non-operating income and expenses				
7060	Share of gains or losses from subsidiaries and joint ventures accounted for using the equity method (Notes 4 and 10)	(144,480)	(8)	(3,375)	-
7100	Interest income (Note 22)	1,194	-	2,895	-
7110	Rental income (Note 22)	10,806	1	10,806	-
7190	Other income (Note 22)	32,957	2	27,994	1
7230	Gains or losses from currency exchange (Notes 4 and 26)	5,063	-	110,185	2

(cont'd)

(cont'd)

Code		2023		2022	
		Amount	%	Amount	%
7235	Gains on financial assets at fair value through profit or loss	(\$ 43,068)	(2)	\$ 7,683	-
7510	Interest expenses	(12,684)	(1)	(13,400)	-
7000	Total non-operating income and expenses	(150,212)	(8)	142,788	3
7900	Net profit before tax	5,696	-	478,061	10
7950	Income tax expenses (Notes 4 and 18)	(30,239)	(1)	(96,736)	(2)
8200	Net profit for the year	(24,543)	(1)	381,325	8
	Other comprehensive income (net after tax)				
8310	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of the defined benefit plan (Note 4)	101	-	1,377	-
8360	Items that may be reclassified to profit or loss:				
8361	Exchange differences from the translation of financial statements of foreign operations (Note 4)	(10,093)	(1)	22,070	-
8300	Other comprehensive net profit of the year (net after tax)	(9,992)	(1)	23,447	-
8500	Total comprehensive income of the year	(\$ 34,535)	(2)	\$ 404,772	8
	Earnings per share (Note 19)				
9750	Basic	(\$ 0.33)		\$ 5.09	
9850	Diluted	(\$ 0.33)		\$ 5.08	

The attached notes are part of the individual financial report

Chairman: Lung-Tsai Yen

Manager: Lung-Tsai Yen

Accounting Officer: Wen-Hsun Tsai

Mechema Chemicals International Corp.
Individual Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Code		Share capital	Capital reserve	Retained earnings			Items of other equity	Total equity
		Ordinary share capital	Premium from issuance of stocks	Legal reserve	Special reserve	Undistributed earnings	Exchange differences from the translation of financial statements of foreign operations	
A1	Balance on January 1, 2022	\$ 749,863	\$ 24,825	\$ 284,987	\$ 81,462	\$ 360,827	(\$ 120,578)	\$ 1,381,386
	Earning distribution in 2021:							
B1	Appropriation of legal reserve	-	-	36,021	-	(36,021)	-	-
B3	Appropriation of special reserve	-	-	-	39,116	(39,116)	-	-
B5	Cash dividend	-	-	-	-	(284,948)	-	(284,948)
D1	Net profit of 2022	-	-	-	-	381,325	-	381,325
D3	Other comprehensive income after tax of 2022	-	-	-	-	1,377	22,070	23,447
Z1	Balance on December 31, 2022	749,863	24,825	321,008	120,578	383,444	(98,508)	1,501,210
	Earning distribution in 2022:							
B1	Appropriation of legal reserve	-	-	38,270	-	(38,270)	-	-
B3	Reversal of special reserve	-	-	-	(22,070)	22,070	-	-
B5	Cash dividend	-	-	-	-	(344,937)	-	(344,937)
D1	Net loss of 2023	-	-	-	-	(24,543)	-	(24,543)
D3	Other comprehensive income after tax of 2023	-	-	-	-	101	(10,093)	(9,992)
Z1	Balance on December 31, 2023	<u>\$ 749,863</u>	<u>\$ 24,825</u>	<u>\$ 359,278</u>	<u>\$ 98,508</u>	<u>(\$ 2,135)</u>	<u>(\$ 108,601)</u>	<u>\$ 1,121,738</u>

The attached notes are part of the individual financial report.

Chairman: Lung-Tsai Yen

Manager: Lung-Tsai Yen

Accounting Officer: Wen-Hsun Tsai

Mechema Chemicals International Corp.
Individual Cash Flow Statement
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Code		2023	2022
	Cash flow from operating income		
A10000	Net profit before tax of the year	\$ 5,696	\$478,061
A20010	Items of income and expenses		
A20100	Depreciation expenses	15,386	13,405
A20200	Amortization expenses	4,099	2,786
A20400	Gains on financial assets at fair value through profit or loss	43,068	(7,683)
A20900	Interest expenses	12,684	13,400
A21200	Interest income	(1,194)	(2,895)
A22400	Share of gains or losses from subsidiaries and joint ventures recognized using the equity method	144,480	3,375
A24000	(Realized) unrealized gains with subsidiaries and joint ventures	(3,646)	(7,185)
A29900	Gains on lease termination	(1)	-
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	80,447	(66,998)
A31160	Accounts receivable - related parties	401,540	(72,892)
A31180	Other receivables	32,642	(41,442)
A31190	Other receivables - related parties	3,500	(292)
A31200	Inventory	118,211	1,642
A31230	Prepayments	(15,530)	172,008
A31240	Other current assets	(254)	(4,570)
A31990	Net defined benefit assets	(171)	(147)
A32150	Notes and accounts payable	(1,571)	(17,970)
A32180	Other payables	(12,156)	8,103
A32230	Other current liabilities	(499)	1,043
A33000	Cash inflow (outflow) generated from operations	826,731	471,749
A33100	Interest received	1,097	2,892
A33300	Interest paid	(13,214)	(12,911)
A33500	Income tax paid	(101,532)	(53,247)
AAAA	Net cash inflow (outflow) from operating activities	<u>713,082</u>	408,483
	Cash flow from investing activities		
B02700	Acquisition of property, plant and equipment	(\$ 8,027)	(\$ 8,254)
B03700	Decrease in refundable deposit	285	-
B04300	(Increase) decrease in other receivables - related parties	(4,604)	(909)
B06700	Increase in long-term prepayments	(3,065)	(3,928)
B07100	Increase in prepayments for equipment	(34,284)	(12,758)
BBBB	Net cash outflow from investing activities	(<u>49,695</u>)	(25,849)
	Cash flow from financing activities		
C00100	Increase (decrease) in short-term borrowings	(459,772)	162,473
C00500	(Decrease) increase in short-term notes payable	-	(250,000)
C01600	Proceeds from long-term borrowings	70,000	-
C04020	Repayment of lease principal	(732)	(878)
C04500	Distribution of cash dividend	(344,937)	(284,948)
CCCC	Net cash (outflow) inflow from financing activities	(<u>735,441</u>)	(373,353)

(cont'd)

(cont'd)

Code		2023	2022
EEEE	Increase in cash and cash equivalents	(72,054)	9,281
E00100	Opening balance of cash and cash equivalents	101,801	92,520
E00200	Closing balance of cash and cash equivalents	\$ 29,747	\$ 101,801

The attached notes are part of the individual financial report.

Independent Auditor's Report
To: Mechema Chemicals International Corp.

Audit opinion

We have audited the consolidated balances sheet as of December 31, 2023 and December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow, and notes to consolidated financial statements (including the summary of significant accounting policies) for the years then ended of Mechema and its subsidiaries (the "Mechema Group").

In our opinion, the abovementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mechema Group as of 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 for the Opinion

We performed the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Mechema Group in accordance with the Code of Ethics and perform other obligations of such Code. 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 the most significance in our audit of the consolidated financial statements of Mechema Group for the year 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2023 consolidated financial statements of Mechema Group are described as follows:

Income recognition

The sales income of battery cathode materials of Mechema Group accounts for approximately 30% of its operating income, primarily due to the concentrated source of major operating income and sales targets of the consolidated company; therefore, the management may have pressure to achieve the estimated operating targets. We believe that the income recognition of the part has material effects on the Company's operations; therefore, we include the income recognition of the part in the key audit matter.

Our audit procedures are as follows:

1. The focus of testing income transactions is whether effective orders from customers are actually obtained for sales.
2. Tests performed for internal control include whether the execution of sales orders has corresponding orders placed by customers, whether sales orders are appropriately approved by supervisors, and whether the "shipping orders" have been approved by the supervisors of the department and signed for receipt by customers.
3. Send letters for inquiries to confirm whether relevant income truly exists.

Other Matters

Mechema Chemicals International Corp. has prepared the individual financial statements for 2023 and 2022, to which we have also issued an independent auditor's report with an unqualified opinion for reference.

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

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

In preparing the consolidated financial statements, the responsibilities of the management include assessing Mechema Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate Mechema Group or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term "reasonable assurance" refers to a high level of assurance. Nevertheless, the audit performed according to the auditing standards cannot guarantee the discovery of material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of Mechema Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of Mechema Group have significant uncertainty, and provide a conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause Mechema Group to have no ability for continuous operation.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes) and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of Mechema Group and provide opinions on the consolidated financial statements. We handle the guidance, supervision and execution of the audit and are responsible for preparing the opinion for the Mechema Group.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine key audit matters in the audit of Mechema Group's 2023 consolidated financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan
CPA Yung-Ming Chiu

CPA Chin-Chuan Shih

Approval number of the Financial
Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No.
1100356048

Approval number of the Securities and
Futures Commission
Tai-Cai-Zheng-Liu-Zi No.
0930128050

March 13, 2024

Mechema Chemicals International Corp. and its subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 182,082	11	\$ 366,480	15
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	43,068	2
1136	Financial assets at amortized costs - current (Notes 4, 8, and 25)	31,768	2	18,044	1
1170	Notes and accounts receivable (Notes 4, 9, and 19)	461,310	28	524,929	21
1180	Accounts receivable - related parties (Notes 4, 19, and 24)	67,818	4	258,380	10
1200	Other receivables (Note 4)	15,041	1	47,384	2
1210	Other receivables - related parties (Notes 4 and 24)	67	-	3,567	-
1220	Income tax assets of the period (Notes 4 and 20)	11,297	1	11,709	1
130X	Inventory (Notes 4 and 10)	357,092	22	627,745	25
1421	Prepayments (Note 15)	25,640	1	10,110	-
1479	Other current assets	40,078	2	54,043	2
11XX	Total current assets	1,192,193	72	1,965,459	79
	Non-current assets				
1535	Financial assets at amortized costs - non-current (Notes 4, 8, and 25)	228	-	228	-
1550	Investment accounted for using the equity method (Notes 4 and 11)	14,228	1	112,074	4
1600	Property, plant and equipment (Notes 4 and 12)	370,494	23	360,949	14
1755	Right-of-use assets (Notes 4 and 13)	14,458	1	15,763	1
1760	Investment property (Notes 4 and 14)	10,806	1	12,635	1
1805	Goodwill (Note 4)	1,281	-	1,281	-
1840	Deferred income tax assets (Notes 4 and 20)	12,054	1	12,476	1
1915	Prepayments for equipment	19,232	1	9,844	-
1920	Refundable deposit (Note 4)	3,030	-	3,318	-
1975	Net defined benefit assets - non-current (Notes 4 and 17)	2,013	-	1,741	-
1995	Other non-current assets	6,901	-	7,295	-
15XX	Total non-current assets	454,725	28	537,604	21
1XXX	Total assets	\$1,646,918	100	\$2,503,063	100
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 16)	\$ 329,701	20	\$ 789,473	32
2110	Short-term notes payable (Note 16)	43,101	3	40,094	2
2170	Notes and accounts payable	40,766	3	51,394	2
2219	Other payables (Note 24)	30,985	2	106,794	4
2230	Income tax liabilities of the period (Notes 4 and 20)	145	-	695	-
2280	Lease liabilities - current (Notes 4 and 13)	70,000	4	-	-
2399	Other current liabilities	5,165	-	7,982	-
21XX	Total current liabilities	519,863	32	996,432	40
	Non-current liabilities				
2570	Deferred income tax liabilities (Notes 4 and 20)	5,317	-	5,421	-
2XXX	Total liabilities	525,180	32	1,001,853	40
	Equity				
	Share capital (Note 18)				
3110	Ordinary share capital	749,863	46	749,863	30
	Capital reserve (Note 18)				
3213	Capital reserve	24,825	1	24,825	1
	Retained earnings (Note 18)				
3310	Legal reserve	359,278	22	321,008	13
3320	Special reserve	98,508	6	120,578	5
3350	Undistributed earnings	(2,135)	-	383,444	15
3300	Total retained earnings	455,651	28	825,030	33
	Other equity (Notes 4 and 18)				
3410	Exchange differences from the translation of financial statements of foreign operations	(108,601)	(7)	(98,508)	(4)
3XXX	Total equity	1,121,738	68	1,501,210	60
	Total liabilities and equity	\$1,646,918	100	\$2,503,063	100

The attached notes are part of the consolidated financial report.

Chairman: Lung-Tsai Yen

Manager: Lung-Tsai Yen

Accounting Officer: Wen-Hsun Tsai

Mechema Chemicals International Corp. and Subsidiaries

Consolidated Comprehensive Income Statement

January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand, but
NT\$1 for earnings (loss) per share

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating income (Notes 4, 19, and 24)	\$ 2,316,364	100	\$ 5,271,498	100
5000	Operating costs (Notes 10 and 19)	<u>2,082,298</u>	<u>90</u>	<u>4,760,738</u>	<u>90</u>
5900	Gross profit	234,066	10	510,760	10
5910	Unrealized gains from sales	-	-	(6,314)	-
5920	Realized gains from sales	<u>3,860</u>	<u>-</u>	<u>-</u>	<u>-</u>
5950	Realized profit	<u>237,926</u>	<u>10</u>	<u>504,446</u>	<u>10</u>
	Operating expenses (Notes 19 and 24)				
6100	Marketing expenses	51,250	2	58,502	1
6200	Management expenses	56,302	2	69,530	2
6300	R&D expenses	<u>15,300</u>	<u>1</u>	<u>14,450</u>	<u>-</u>
6000	Total operating expenses	<u>122,852</u>	<u>5</u>	<u>142,482</u>	<u>3</u>
6900	Net profit	<u>115,074</u>	<u>5</u>	<u>361,964</u>	<u>7</u>
	Non-operating income and expenses				
7060	Share of gains or losses from joint ventures accounted for using the equity method (Notes 4 and 11)	(101,706)	(4)	(8,672)	-
7100	Interest income	4,087	-	6,839	-
7110	Rental income (Note 24)	15,625	1	15,595	-
7190	Other income (Note 24)	24,578	1	29,461	1
7210	Gains from disposals of property, plant and equipment (Note 4)	9	-	-	-
7230	Gains or losses from currency exchange (Notes 4 and 29)	3,490	-	81,807	1
7235	Gains on financial assets at fair value through profit or loss (Note 4)	(43,068)	(2)	7,683	-
7590	Sundry expenses	(468)	-	(7)	-
7510	Interest expenses	(<u>12,684</u>)	(<u>1</u>)	(<u>13,400</u>)	<u>-</u>
7000	Total non-operating income and expenses	(<u>110,137</u>)	(<u>5</u>)	<u>119,306</u>	<u>2</u>

(cont'd)

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Code		2023		2022	
		Amount	%	Amount	%
7900	Net profit before tax	\$ 4,937	-	\$ 481,270	9
7950	Income tax expenses (Notes 4 and 20)	(29,480)	(1)	(99,945)	(2)
8200	Net profit for the year	(24,543)	(1)	381,325	7
	Other comprehensive income (net after tax)				
8310	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of the defined benefit plan (Note 4)	101	-	1,377	-
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences from the translation of financial statements of foreign operations (Note 4)	(10,093)	-	22,070	1
8300	Other comprehensive income of the year (net after tax)	(9,992)	-	23,447	1
8500	Total comprehensive income of the year	(\$ 34,535)	(1)	\$ 404,772	8
	Net profit attributable to:				
8610	Owners of the Company	(\$ 24,543)	(1)	\$ 381,325	7
8620	Non-controlling interest	-	-	-	-
8600		(\$ 24,543)	(1)	\$ 381,325	7
	Total comprehensive income attributable to:				
8710	Owners of the Company	(\$ 34,535)	(1)	\$ 404,772	8
8720	Non-controlling interest	-	-	-	-
8700		(\$ 34,535)	(1)	\$ 404,772	8
	Earnings per share (Note 21)				
9750	Basic	(\$ 0.33)		\$ 5.09	
9850	Diluted	(\$ 0.33)		\$ 5.08	

The attached notes are part of the consolidated financial report.

Chairman: Lung-Tsai Yen

Manager: Lung-Tsai Yen

Accounting Officer: Wen-Hsun Tsai

Mechema Chemicals International Corp. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Code		Share capital	Capital reserve	Retained earnings			Items of other equity Exchange differences from the translation of financial statements of foreign operations	Total equity
		Ordinary share capital	Premium from issuance of stocks	Legal reserve	Special reserve	Undistributed earnings		
A1	Balance on January 1, 2021	\$ 749,863	\$ 24,825	\$ 284,987	\$ 81,462	\$ 360,827	(\$ 120,578)	\$ 1,381,386
	Earning distribution in 2020:							
B1	Appropriation of legal reserve	-	-	36,021	-	(36,021)	-	-
B3	Appropriation of special reserve	-	-	-	39,116	(39,116)	-	-
B5	Cash dividend	-	-	-	-	(284,948)	-	(284,948)
D1	Net profit of 2021	-	-	-	-	381,325	-	381,325
D3	Other comprehensive income after tax of 2021	-	-	-	-	1,377	22,070	23,447
Z1	Balance on December 31, 2021	749,863	24,825	321,008	120,578	383,444	(98,508)	1,501,210
	Earning distribution in 2021:							
B1	Appropriation of legal reserve	-	-	38,270	-	(38,270)	-	-
B17	Reversal of special reserve	-	-	-	(22,070)	22,070	-	-
B5	Cash dividend	-	-	-	-	(344,937)	-	(344,937)
D1	Net profit of 2023	-	-	-	-	(24,543)	-	(24,543)
D3	Other comprehensive income after tax of 2023	-	-	-	-	101	(10,093)	(9,992)
Z1	Balance on December 31, 2023	<u>\$ 749,863</u>	<u>\$ 24,825</u>	<u>\$ 359,278</u>	<u>\$ 98,508</u>	<u>(\$ 2,135)</u>	<u>(\$ 108,601)</u>	<u>\$ 1,121,738</u>

The attached notes are part of the consolidated financial report.

Chairman: Lung-Tsai Yen

Manager: Lung-Tsai Yen

Accounting Officer: Wen-Hsun Tsai

Mechema Chemicals International Corp. and Subsidiaries

Consolidated Cash Flow Statement

January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Code		2023	2022
	Cash flow from operating income		
A10000	Net profit before tax of the year	\$ 4,937	\$ 481,270
A20010	Items of income and expenses		
A20100	Depreciation expenses	24,919	23,473
A20200	Amortization expenses	4,099	2,786
A20400	Gains on financial assets at fair value through profit or loss	43,068	(7,683)
A20900	Interest expenses	12,684	13,400
A21200	Interest income	(4,087)	(6,839)
A22300	Share of gains or losses from joint ventures accounted for using the equity method	101,706	8,672
A22500	Gains from disposals of property, plant and equipment	(9)	-
A23900	Unrealized (realized) gains from sales with affiliates	(3,860)	6,314
A29900	Gains on lease termination	(1)	-
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	63,619	(74,949)
A31160	Accounts receivable - related parties	190,562	45,034
A31180	Other receivables	32,843	(41,641)
A31190	Other receivables - related parties	3,500	(292)
A31200	Inventory	270,653	(152,529)
A31230	Prepayments	(15,530)	172,008
A31240	Other current assets	13,965	(14,775)
A31990	Net defined benefit assets	(171)	(147)
A32150	Notes and accounts payable	3,007	(20,603)
A32180	Other payables	(10,628)	6,746
A32230	Other current liabilities	(492)	(544)
A33000	Cash inflow (outflow) generated from operations	734,784	439,701
A33100	Interest received	3,587	6,839
A33300	Interest paid	(13,214)	(12,911)
A33500	Income tax paid	(104,559)	(78,282)
AAAA	Net cash inflow (outflow) from operating activities	<u>620,598</u>	<u>355,347</u>

(cont'd)

(cont'd)

Code		2023	2022
	Cash flow from investing activities		
B00040	Acquisition of financial assets at amortized costs	(\$ 63,765)	(\$ 15,840)
B00060	Repayment of principal for financial assets at amortized costs	50,000	3,086
B02700	Acquisition of property, plant and equipment	(10,690)	(30,048)
B02800	Consideration of disposals of property, plant and equipment	9	-
B03800	(Increase) decrease in refundable deposit	288	(6)
B06700	Increase in long-term prepayments	(3,705)	(3,928)
B07100	Increase in prepayments for equipment	(34,348)	(17,214)
BBBB	Net cash (outflow) inflow from investing activities	(62,211)	(63,950)
	Cash flow from financing activities		
C00200	Increase in short-term borrowings	(459,772)	162,473
C00500	(Decrease) increase in short-term notes payable	-	(250,000)
C01600	Proceeds from long-term borrowings	70,000	-
C04020	Repayment of lease principal	(732)	(878)
C04500	Distribution of cash dividend	(344,937)	(284,948)
CCCC	Net cash (outflow) inflow from financing activities	(735,441)	(373,353)
DDDD	Effects of changes in exchange rates on cash and cash equivalents	(7,344)	15,843
EEEE	Increase (decrease) in cash and cash equivalents	(184,398)	(66,113)
E00100	Opening balance of cash and cash equivalents	366,480	432,593
E00200	Closing balance of cash and cash equivalents	\$ 182,082	\$ 366,480

The attached notes are part of the consolidated financial report.

Chairman: Lung-Tsai Yen

Manager: Lung-Tsai Yen

Accounting Officer: Wen-Hsun Tsai
[Attachment 7]

Mechema Chemicals International Corp.

Rules of Procedures for Board Meetings - Comparison Table of the Articles Before and After the
Amendment

Before amendment	After amendment	Description
Article 12: If one-half of all the Directors are in attendance at the appointed meeting time, the chairperson may announce the postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures in paragraph 2, Article 3. The number of “all Directors,” as used in the preceding paragraph and in subparagraph 2, paragraph 2, Article 17, shall be counted as the number of Directors then actually in office.	Article 12: If one-half of all the Directors are not in attendance at the appointed meeting time, the chairperson may announce the postponement of the meeting time on the same day, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures in paragraph 2, Article 3. The number of “all Directors,” as used in the preceding paragraph and in subparagraph 2, paragraph 2, Article 17, shall be counted as the number of Directors then actually in office.	Amended in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”
Article 13: A Board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of Directors in attendance at the Board meeting. The chairperson may not declare the meeting closed without the approval of a majority of the Directors in attendance at the meeting. At any time during the course of a Board meeting, if the number of Directors sitting at the meeting does not constitute a majority of the attending Directors, then upon the motion by a Director sitting at the meeting, the chairperson shall declare a suspension of the meeting, in which case, requirements set out in paragraph 1 of the preceding Article shall apply mutatis mutandis.	Article 13: A Board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of Directors in attendance at the Board meeting. The chairperson may not declare the meeting closed without the approval of a majority of the Directors in attendance at the meeting. At any time during the course of a Board meeting, if the number of Directors sitting at the meeting does not constitute a majority of the attending Directors, then upon the motion by a Director sitting at the meeting, the chairperson shall declare a suspension of the meeting, in which case, requirements set out in paragraph 1 of the preceding Article shall apply mutatis mutandis. If, at any time during the course of a board meeting, the chairperson is unable to chair the meeting for whatever reasons or adjourns the meeting without complying with Paragraph 2, Paragraph 3 of Article 10 shall apply mutatis mutandis to the selection of a person to act on behalf of the chairperson.	Amended in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”

Article 20: The establishment of and amendments to the Rules were implemented after receiving consent from the Board. The Rules were established on May 23, 2003. The first amendment was made on May 18, 2004. The second amendment was made on December 27, 2006. The third amendment was made on December 28, 2007. The fourth amendment was made on April 7, 2010. The fifth amendment was made on March 11, 2013. The sixth amendment was made on March 27, 2020.	Article 20: The establishment of and amendments to the Rules were implemented after receiving consent from the Board and reporting to the shareholders' meeting. If there is any amendment in the future, the Board may be authorized to make the resolution. The Rules were established on May 23, 2003. The first amendment was made on May 18, 2004. The second amendment was made on December 27, 2006. The third amendment was made on December 28, 2007. The fourth amendment was made on April 7, 2010. The fifth amendment was made on March 11, 2013. The sixth amendment was made on March 27, 2020. The seventh amendment was made on November 4, 2023. The eighth amendment was made on March 13, 2024.	Added the date of the amendment.
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Articles of Association of Mechema Chemicals International Corp.

Chapter I General Provisions

Article 1: The Company is organized in accordance with the provisions of the Company Act on companies limited by shares, and is named Mechema Chemicals International Corp.

Article 2: The Company's business scope is as follows:

- I. Production, manufacturing, trading, import and export of cobalt acetate and manganese acetate.
- II. Production, trading, import and export of cobalt compounds and manganese compounds.
- III. Trading and import and export of cobalt metals and manganese metals.
- IV. C801010 Basic Industrial Chemical Manufacturing.
- V. F107990 Wholesale of Other Chemical Products (cobalt bromide, cobalt sulfate, terephthalic acid, oxidation catalyst, manganese bromide, cobalt hydroxide, cobalt oxide, antimony compound).
- VI. F207990 Retail Sale of Other Chemical Products (cobalt bromide, cobalt sulfate, terephthalic acid, oxidation catalyst, antimony compound).
- VII. C802120 Industrial Catalyst Manufacturing.
- VIII. F113010 Wholesale of Machinery.
- IX. F213080 Retail Sale of Machinery and Equipment.
- X. F207050 Retail Sale of Fertilizer.
- XI. I103060 Management Consulting.
- XII. C803990 Other Petroleum and Charcoal Manufacturing (Lubricating Oil).
- XIII. F112040 Wholesale of Petrochemical Fuel Products.
- XIV. F212050 Retail Sale of Petrochemical Fuel Products.
- XV. All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company has its head office in Taoyuan. If necessary, it may establish branch offices at home or abroad by resolution of the Board meeting.

Article 4: Deleted.

Chapter II Shares

Article 5: The total capital of the Company is set at NT\$1 billion, divided into 100 million shares all of which are ordinary shares at NT\$10 per share; the board meeting is

authorized to issue them in installments.

The Company may issue employee stock option certificates, and retain 6,000,000 shares of the total number of shares referred to in the preceding paragraph as the shares for the employee stock option certificates issued.

Article 6: Deleted.

Article 7: The shares of the Company shall be issued in registered form after being signed or sealed by three or more Directors and duly certified in accordance with the law. The printing of physical stocks may be exempted. The stock affairs of the Company shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority.

Article 8: The name change and transfer of shares shall be suspended within 60 days before the annual shareholders’ meeting, 30 days before the extraordinary shareholders’ meeting, or five days before the ex-date of the Company’s decision to distribute dividends, bonuses or other benefits.

Chapter III Shareholders’ Meetings

Article 9: The Company’s shareholders’ meetings are divided into the annual shareholders’ meeting and the extraordinary shareholders’ meeting. The annual shareholders’ meeting is convened once a year and within six months after the end of each fiscal year. The extraordinary shareholders’ meeting shall be convened when necessary in accordance with the law. The shareholders’ meeting of the Company may be held by video conference or other means announced by the central competent authority.

Article 10: If a shareholder is unable to attend the shareholders’ meeting for any reason, he/she may issue a proxy form in the format printed by the Company specifying the scope of authorization and entrust a proxy to attend. In addition to the provisions of Article 177 of the Company Act, the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” promulgated by the competent authority shall apply for the shareholder’s appointment of a proxy to attend the shareholders’ meeting.

Article 11: The shareholders of the Company have one voting right per share; however, the restriction shall not apply to those who have no voting rights in accordance with the provisions of the Company Act and relevant laws and regulations.

Article 12: Unless otherwise provided in relevant laws and regulations, the proposal of a

shareholders' meeting shall be adopted by a majority vote of the shareholders or proxies present, who represent more than half of the total number of voting shares.

Article 12-1: The resolutions of the shareholders' meeting shall be recorded into minutes and signed or stamped by the chairperson, and distributed to the shareholders within 20 days after the meeting. The Company may make a public announcement to replace the distribution of the minutes in the preceding paragraph.

Chapter IV Directors and Audit Committee

Article 13: The Company has seven Directors, who shall be selected via a candidate nomination system by the shareholders' meeting among people with the capacity for conduct. The term of office is three years, and re-election is allowed. The total shareholding ratio of all Directors shall be in compliance with the provisions of the securities regulatory authority.

Among the Directors to be elected in the previous paragraph, the number of Independent Directors shall not be less than three, and shall not be less than one-fifth of the total number of directors. The professional qualifications, shareholding, part-time job restrictions and nomination and election methods of Independent Directors, and other matters to be observed shall be handled in accordance with the relevant regulations of the competent securities authority.

The Company shall establish an Audit Committee, which is composed of all Independent Directors. Matters relating to the number of members, term of office, powers and responsibilities and rules of procedure of the audit committee shall be separately prescribed in accordance with the relevant provisions of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and in accordance with the Organizational Rules of the Audit Committee.

Since the date of the establishment of the audit committee, the Company's regulations on supervisors shall cease to apply. The term of office of the elected supervisor shall expire on the date of the establishment of the first audit committee of the Company.

Article 14: The Board of Directors shall be organized by the Directors. The Chairman shall be elected among the Directors by a majority vote in the Board meeting attended by more than two-thirds of the Directors. The Chairman shall represent the Company

externally.

The convening notice of a Board meeting may be sent in writing or by email or fax to notify the Directors.

Article 15: When the Chairman asks for leave or is unable to exercise his/her powers for some reason, his/her proxy shall be handled in accordance with Article 208 of the Company Act.

Article 16: For the remuneration of the Directors, the Board meeting is authorized to determine according to the general level of the industry. If a Director of the Company concurrently holds another position at the Company, the remuneration for his/her position at the Company shall be handled by the Board meeting with the authorization of the shareholders' meeting in accordance with the internal management measures of the Company.

Chapter V Managers

Article 17: The Company may appoint one President, one Vice President and several managers whose appointment, removal and remuneration shall be in accordance with the provisions of Article 29 in the Company Act.

Chapter VI Accounting

Article 18: At the end of each fiscal year, the Board of Directors shall prepare (1) a business report, (2) financial statements, and (3) a proposal for earnings distribution or loss allocation and other statements, and submit them to the annual shareholders' meeting according to law for recognition.

Article 19: If the Company makes a profit in the year, it shall allocate not less than 1% of its employees' remuneration, which shall be distributed in shares or cash by the Board resolution. The employees' remuneration referred to in the preceding paragraph, if distributed in shares, may be paid to employees of affiliated companies who meet certain conditions, and the conditions shall be determined by the Board meeting. The Company may allocate no more than 5% of the aforesaid profit as Directors' remuneration by Board resolution, and the remuneration can only be paid in cash. The employees' remuneration and Directors' remuneration shall be decided by a Board meeting with more than two-thirds of the Directors present and a majority vote of the Directors present, and the resolution shall be reported to the shareholders' meeting.

However, if the Company still has a cumulative loss, it shall reserve the amount of compensation in advance, and then allocate employees' remuneration and Directors' remuneration according to the proportion mentioned in the preceding paragraph.

Article 19-1: If the Company has any surplus in its final account of the year, it shall distribute it in the following order:

- (I). Pay income tax.
- (II). Compensate the cumulative loss.
- (III). Appropriate 10% as the legal reserve, except when the legal reserve has reached the paid-in capital of the Company;
- (IV). Appropriate or reverse the special reserve as required by laws and regulations or the provision of the competent authority.
- (V). If there is still a balance, the Board of Directors shall prepare a proposal for the distribution of shareholders' dividends based on the balance and accumulated undistributed earnings, and submit it to the shareholders' meeting for resolution.

If the distribution of shareholders' dividends referred to in the preceding paragraph is in the form of cash distribution, the Board of Directors shall be authorized to make a resolution in a board meeting attended by more than two-thirds of the Directors, with the approval obtained from more than half of the Directors present. The resolution shall be reported to the shareholders' meeting.

In accordance with Article 241 of the Company Act, the Company shall distribute all or part of the legal reserve and capital surplus to the shareholders in proportion to their original shareholding ratios in shares or cash. When cash is distributed, the Board of Directors shall be authorized to make a resolution in a Board meeting attended by more than two-thirds of the Directors, with the approval obtained from more than half of the Directors present. The resolution shall be reported to the shareholders' meeting.

As the Company is in the growth stage of the enterprise's life cycle, in order to effectively grasp the appropriate investment opportunities, the Company's dividend policy will, in addition to referring to the general level of the industry, consider the future capital needs and long-term financial planning requirements for

the distribution of dividends, and allocate more than 50% of the aforesaid shareholders' dividend for distribution, of which the cash dividend shall not be less than 10% of the amount distributed. However, the type and ratio of such earnings distribution may be adjusted by the resolution of the shareholders' meeting based on the actual profit and capital situation of the current year.

Chapter VII Supplemental Provisions

Article 20: The reinvestment amount of the Company is not limited to the restriction of 40% of the total paid-in capital.

Article 21: The Company may provide endorsements and guarantees to companies that directly or indirectly hold more than 90% of the voting shares of the Company.

Article 22: Matters not covered in these Articles of Association shall be handled in accordance with the provisions of the Company Act.

Article 23: The Articles of Association were established on June 24, 1992

The first amendment was made on April 10, 1995.

The second amendment was made on May 1, 1997.

The third amendment was made on June 11, 1998.

The fourth amendment was made on December 4, 1998.

The fifth amendment was made on June 2, 1999.

The sixth amendment was made on June 9, 2000.

The seventh amendment was made on June 26, 2001.

The eighth amendment was made on May 20, 2002.

The ninth amendment was made on May 23, 2003.

The tenth amendment was made on May 18, 2004.

The eleventh amendment was made on May 16, 2005.

The twelfth amendment was made on June 15, 2006.

The thirteenth amendment was made on June 15, 2007.

The fourteenth amendment was made on June 25, 2010.

The fifteenth amendment was made on June 21, 2012.

The sixteenth amendment was made on June 24, 2016.

The seventeenth amendment was made on June 29, 2018.

The eighteenth amendment was made on June 27, 2019.

The nineteenth amendment was made on June 30, 2020.

The twentieth amendment was made on June 22, 2022.

Mechema Chemicals International Corp.

Chairman: Lung-Tsai Yen

Mechema Chemicals International Corp.
Rules of Procedures for Shareholders' Meetings

Mechema Chemicals International Corp.
Rules of Procedures for Shareholders' Meetings

Article 1

In order to establish a good governance system for the shareholders' meeting of the Company, improve the supervision function and strengthen the management function, the Rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.

Article 2

Unless otherwise provided by laws and regulations, the shareholders' meeting of the Company shall be handled in accordance with the Rules.

Article 3 (Convening and notice of shareholders' meeting)

Unless otherwise provided in laws and regulations, the shareholders' meeting of the Company shall be convened by the Board of Directors.

The change of the convening method of the shareholders' meeting of the Company shall be decided by the board meeting, and the change shall be made before the notice of the shareholders' meeting is sent at the latest.

The Company shall, 30 days before the annual shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare an electronic file containing the notice of the shareholders' meeting, the form of the proxy form, the relevant recognition cases, discussion cases, selection or dismissal of Directors, and reasons and explanations of the proposals, and transmit it to the MOPS. The Company shall also, 21 days before the annual shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare an electronic file containing the handbook and supplementary information of the shareholders' meeting, and transmit it to the MOPS. However, if the paid-in capital of the Company at the end of the most recent fiscal year reaches NT\$10 billion, or if the total shareholding ratio of foreign and mainland capital recorded in the shareholders' register of the annual shareholders' meeting held in the most recent fiscal year reaches 30 percent, the electronic file transmission shall be completed 30 days before the annual shareholders' meeting.

15 days before the shareholders' meeting, the Company shall make available the handbook and supplementary information of the meeting for the shareholders to read at any time; the Company shall also have them displayed at the Company and the professional stock affairs agency appointed by the Company.

The Company shall, on the day of the shareholders' meeting, provide shareholders with the handbook and supplementary meeting data referred to in the preceding paragraph in the following ways:

- I. When a physical shareholders' meeting is held, it shall be distributed at the shareholders' meeting site.
- II. When a video-assisted shareholders' meeting is held, it shall be distributed on the site of the shareholders' meeting and transmitted to the video conference platform in electronic files.
- III. When a video shareholders' meeting is held, it shall be transmitted to the video conference platform in electronic files.

The meeting notice and announcement shall state the convening reason; if agreed by the counterparty, the meeting notice may be delivered electronically.

The election or dismissal of Directors, changes to the articles of association, capital reduction, application for suspension of public offering, removal of Director's non-competition restriction, capital increase from earnings, capital increase from reserve, company dissolution, merger, division, or all circumstances in paragraph 1, Article 185 of the Company Act shall be listed under the convening reasons with a description of the main contents of the matters, and shall not be proposed as an extempore motion.

If the reason for convening the shareholders' meeting has stated a full re-election of Directors and the date of assuming office, then after the re-election is completed at the shareholders' meeting, the date of assuming office may not be further changed via an extempore motion or other means.

Any shareholder holding more than 1% of the total issued shares may submit to the company in writing a proposal for the annual shareholders' meeting. However, each such shareholder is limited to making only one proposal; otherwise, the excess proposals will not be included in the agenda. However, if the shareholder's proposals are to urge the Company to promote public interests or fulfill social responsibilities, the Board of Directors may still include them in the proposal. In addition, the Board of Directors may not list the proposal from a shareholder in case of any of the circumstances in item 4, Article 172-1 of the Company Act. The Company shall, before the book-close date of the annual shareholders' meeting, announce the acceptance of proposals, the written or electronic method accepted, and the location and period of acceptance; the period of acceptance shall not be less than 10 days.

The proposal made by a shareholder is limited to 300 words, and those exceeding 300 words will not be included in the agenda; the proposing shareholder shall either attend the annual shareholders' meeting personally or entrust an agent to attend, and participate in the discussion of the proposal.

The Company shall notify the proposing shareholder of the results of the acceptance before the date the convening notice is sent and shall include in the meeting notice the proposals compliant with the requirements of the article. For shareholders' proposals not included in the agenda, the Board of Directors shall explain the reasons for non-inclusion.

Article 4

At each shareholder's meeting, the shareholder may issue a proxy form in the form printed by the Company to specify the scope of authorization, sign or seal it, and entrust an agent to attend.

Each shareholder is limited to issuing one proxy form and entrusting only one person and shall have a proxy form delivered to the Company five days before the date of the shareholders' meeting. If the entrustment is repeated, the first one delivered shall prevail. However, the above does not apply if a declaration is made on the revocation of the entrustment previously delivered.

After a proxy form is delivered to the Company, if the shareholder wishes to attend the shareholders' meeting personally or wishes to exercise voting rights in written or electronic form, a notice of revocation shall be delivered to the Company in writing two days before the date of the shareholders' meeting; if a proxy form is canceled after the time limit, the voting rights exercised by the entrusted agent shall prevail.

After a proxy form is delivered to the Company, if the shareholder wishes to attend the shareholders' meeting by video, a notice of revocation shall be delivered to the Company in writing two days before the date of the shareholders' meeting; if a proxy form is canceled after the time limit, the voting rights exercised by the entrusted agent shall prevail.

Article 5 (Principles of the place and time of the shareholders' meeting)

The venue for a shareholders' meeting shall be in the city or county where the premises of the Company are located or a place easily accessible by shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

The opinions of Independent Directors on the place and time of the meeting shall be fully considered.

When the Company holds a video shareholders' meeting, it is not subject to the restrictions on the place of the meeting in the preceding paragraph.

Article 6 (Preparation of the signature book and other documents)

The Company shall specify in the meeting notice the time and place for accepting the registration of shareholders, solicitors and entrusted agents (hereinafter collectively referred to as shareholders) and other matters needing attention.

The time for the shareholder's registration referred to in the preceding paragraph shall be at least 30 minutes before the meeting; the registration office shall be clearly marked, and sufficient qualified personnel shall be sent to handle the registration. For a video conference of the shareholders' meeting, the acceptance of registration shall start 30 minutes before the meeting at the video conference platform of the shareholders' meeting. The shareholders who complete the registration shall be deemed to be present at the shareholders' meeting in person.

The shareholder shall attend the shareholders' meeting based on the attendance card, sign-in card or other attendance certificates. The company shall not arbitrarily add other supporting documents to the certification documents based on which the shareholders attend the meeting. The solicitor of the proxy form for attending the meeting shall carry an identity certificate for verification.

The company shall prepare a sign-in book for the attending shareholders to sign in, or the attending shareholders may submit their sign-in cards for signing in.

The Company shall deliver the meeting handbook, annual report, attendance card, speech slip, voting ballots and other meeting materials to the shareholders present at the shareholders' meeting; if there is a re-election of Directors, the electing ballots shall also be attached.

When the government or a legal person is a shareholder, the number of its representatives present at the shareholders' meeting is not limited to one. When a legal person is entrusted to attend the shareholders' meeting, only one representative may be appointed to attend.

If the shareholders' meeting is held in the form of a video conference, shareholders who wish to attend by video shall register with the Company two days before the shareholders' meeting.

If the shareholders' meeting is held in the form of a video conference, the Company shall upload the meeting handbook, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting, and continue to disclose them until the end of the meeting.

Article 6-1 (Matters to be included in the notice of convening a shareholders' meeting by video)

When the Company holds the shareholders' meeting in the form of a video conference, the following matters shall be specified in the notice of convening the shareholders' meeting:

- I. Methods for shareholders to participate in video conferences and exercise their rights.
- II. The method of dealing with obstacles caused by natural disasters, incidents or other *force majeure* to the video conference platform for participation in the video conference shall at least include the following:
 - (I) The time of the postponed or resumed meeting due to the continuation of the obstacle before the meeting, which cannot be eliminated, and the date of the meeting to be postponed or resumed if necessary.
 - (II) Shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting.
 - (III) If a video-assisted shareholders' meeting cannot be resumed, the shareholders' meeting shall be continued if the total number of shares present at the shareholders'

meeting reaches the quorum of the shareholders' meeting after deducting the number of shares present at the shareholders' meeting by video. The number of shares present at the shareholders' meeting by video shall be counted into the total number of shareholders' shares present, and all proposals of the shareholders' meeting shall be deemed to have been waived.

(IV) The handling method in the event that all motions have been announced, but no extempore motion has been made.

III. If the shareholders' meeting is held by video, the appropriate alternative measures shall be specified for the shareholders who have difficulty participating in the shareholders' meeting by video.

Article 7 (Chairperson of the shareholders' meeting and non-voting participants)

If the Board of Directors convenes the shareholders' meeting, the Chairman shall serve as the chairperson of the meeting. When the Chairman is on leave or unable to perform his duties for some reason, the Vice Chairman shall act as his proxy. When there is not a Vice Chairman or the Vice Chairman is also on leave or unable to perform his duties for any reason, the Chairman shall designate a Managing Director to act as his proxy. When there are no Managing Directors, a Director shall be designated as the proxy; if the Chairman does not appoint a proxy, the Managing Directors or the Directors shall elect one among themselves as the proxy.

The meeting chairperson referred to in the preceding paragraph shall be a Managing Director or Director who has served for more than six months and has knowledge of the Company's financial and business conditions. The same applies if the chairperson is the representative of a corporate Director.

At the shareholders' meeting convened by the Board of Directors, the Chairman of the Board shall personally preside over the meeting, and at least one representative of each functional committee shall attend the meeting; the attendance status shall be recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by a person with the power to convene other than a member of the Board of Directors, the convener shall be the chairperson of the meeting. If there are two or more conveners, one of them shall be elected to be the chairperson.

The Company may appoint its designated lawyers, accountants or related personnel to attend the shareholders' meeting as non-voting delegates.

Article 8 (Audio or video recording of the shareholders' meeting process)

The Company shall continuously audio and video record the whole process of shareholders' registration, meeting, and vote counting from the time of accepting the registration of shareholders.

The audio and video recording shall be kept for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Act, the recording shall be kept until the end of the lawsuit.

Article 9

Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares present shall be calculated according to the number of shares registered in the signature book or the sign-in cards submitted, plus the number of shares exercising voting rights in writing or electronically.

The chairperson shall call the meeting to order at the specified meeting time, and at the same time announce relevant information such as the number of non-voting rights and the number of shares present. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a meeting postponement, provided that the number of such postponements is no more than two and the total time no

more than one hour. If the attending shareholders still do not represent one-third of the total number of issued shares after two postponements, the chairperson shall declare the meeting aborted.

If the quorum is still 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 may be adopted pursuant to paragraph 1, Article 175 of the Company Act, and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

Prior to the conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for voting at the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders' meeting is convened by the Board meeting, the meeting agenda shall be set by the Board meeting, and the resolutions of related motions (including extraordinary motions and amendments to original motions) shall be made on a case-by-case basis by voting. The meeting shall proceed in the order set in the agenda, which may not be changed without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a convening party other than the Board of Directors, the provisions of the preceding paragraph shall apply.

The chairperson may not declare the meeting adjourned prior to the completion of the meeting agenda (including extraordinary motions) of the preceding two paragraphs except by a resolution of the shareholders' meeting. If the chairperson 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 chairperson in accordance with statutory procedures, and then continue the meeting based on the agreement of a majority of the votes represented by the attending shareholders.

The chairperson shall allow ample opportunities during the meeting for explanation and discussion of motions and their amendments or extraordinary motions put forward by the shareholders; when the chairperson is of the opinion that a motion has been discussed sufficiently for voting, the chairperson may announce a cessation of the discussion and call for a vote, and arrange sufficient time for voting.

Article 11 (Shareholders' speeches)

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

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

Without the consent of the chairperson, each shareholder who speaks on the same motion shall not speak more than twice, and the speech each time shall not exceed five minutes. If the shareholder's speech violates the rules above or exceeds the scope of the agenda item, the chairperson 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 chairperson and the shareholder that has the floor; the chairperson shall stop any violations.

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

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

Article 12 (Calculation and avoidance system of voting shares)

The voting at shareholders' meetings shall be calculated based on the number of shares.

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

When a shareholder has personal interests in items at the meeting which may cause harmful results to the interests of the Company, he shall not participate in the voting and shall not exercise voting rights on behalf of other shareholders.

The number of shares that may not exercise voting rights referred to in the preceding paragraph shall not be counted in the number of voting rights of the shareholders present.

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

Article 13

Each shareholder has one voting right per share, but this does not apply to those who are restricted or have no voting rights as specified in paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall have the voting rights exercised by electronic means or in writing; when the voting rights are exercised in writing or by electronic means, the exercise method shall be specified in the notice of the shareholders' meeting. The shareholders who exercise the voting rights in writing or by electronic means shall be deemed to attend the shareholders' meeting in person. However, for extempore motions and amendments to the original motions of the shareholders' meeting, such shareholders shall be deemed to have waived their voting rights. Therefore, the Company should avoid the proposal of extempore motions or amendments to the original motions.

If the voting rights are exercised in writing or by electronic means, as in the preceding paragraph, the intention of the said expression shall be delivered to the Company two days before the shareholders' meeting. If the intention is repeated, the first one delivered shall prevail. However, the above does not apply if a declaration is made on the revocation of the intention previously delivered.

After the shareholder exercises the voting right in writing or by electronic means, if he wants to attend the shareholders' meeting in person or by video, he shall make a revocation of the intention previously delivered in the same manner as the revocation of the voting intention in the previous paragraph two days before the shareholders' meeting; if the revocation is made after the deadline, the voting right exercised in writing or by electronic means shall prevail. If the voting right is exercised in writing or by electronic means and the agent entrusted via a proxy form is present at the shareholders' meeting, the voting right of the entrusted agent shall prevail.

Unless otherwise provided by law or the Company's Articles of Association, a proposal shall be approved with the consent of more than half of the voting rights of the shareholders present. When voting, the chairperson or its designated person shall announce the total number of voting rights of the shareholders present, and the shareholders shall vote on a proposal-by-proposal basis. The results of shareholders' consent, objection and waiver shall be entered into the MOPS on the day after the shareholders' meeting.

When there is an amendment or replacement to a proposal, the chairperson shall determine the order of voting together with that of the original proposal. If one of the proposals is approved, the other proposals shall be deemed to be rejected, and no more voting shall be needed.

The persons who supervise and calculate the votes on proposals shall be appointed by the chairperson, but the vote supervisor shall have the status of shareholder.

The counting of voting or election results at the shareholders' meeting shall be conducted in a

public place in the shareholders' meeting. After the counting is completed, the voting results shall be announced on the spot, including the statistical weights, and be recorded.

If the Company holds the shareholders' meeting in the form of a video conference, after the chairperson calls the meeting to order, the shareholders participating by video shall vote on various proposals and election proposals through the video conference platform, and shall complete the voting before the chairperson announces the end of the voting. If the voting is delayed, they shall be deemed to have abstained.

If the shareholders' meeting is convened in the form of a video conference, the votes shall be counted in one go after the chairperson announces the end of voting, and the voting and election results shall be announced.

When the Company holds the video-assisted shareholders' meeting, the shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 6 and want to attend the physical shareholders' meeting in person shall cancel the registration in the same way as for the registration two days before the shareholders' meeting; if the cancellation is overdue, the shareholders' meeting can only be attended by video.

Those who exercise their voting rights in writing or by electronic means, have not withdrawn their expression of intention, and have participated in the shareholders' meeting by video shall not exercise their voting rights on, except for temporary motions, the original motion or propose amendments to the original motion, or exercise their voting rights on the amendments to the original motion.

Article 14 (Election)

When there is an election of Directors at the shareholders' meeting, it shall be handled in accordance with the relevant election rules prescribed by the Company, and the election results shall be announced on the spot, including the list of elected Directors and their number of voting rights, and the list of candidates not elected and their number of voting rights.

The ballots for the election referred to in the preceding paragraph shall be sealed and signed by the monitoring personnel and properly kept for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Act, the recording shall be kept until the end of the lawsuit.

Article 15

The resolutions of the shareholders' meeting shall be recorded in the meeting minutes, signed or sealed by the chairperson, and distributed to the shareholders within 20 days after the meeting. The production and distribution of the shareholders' meeting minutes may be conducted by electronic means.

For the distribution of the shareholders' meeting minutes, the Company may make a public announcement by entering the information on the MOPS.

The minutes shall be taken in the order of the date, place, name of the chairperson, resolution method, essentials of the proceedings and voting results (including the number of voting rights), and the number of voting rights received by each candidate shall be disclosed when there is an election of Directors and supervisors. The minutes shall be kept permanently during the existence of the Company.

If the shareholders' meeting is held in the form of a video conference, in addition to the items required to be recorded in accordance with the preceding paragraph, the minutes shall record the start and end time of the shareholders' meeting, the method of holding the meeting, the name of the chairperson and the recorder, appropriate alternative measures provided to shareholders who have difficulties in participating in the shareholders' meeting by video, and the handling methods and results in case of obstacles to the video conference platform or participation by video due to any natural disaster, incident or other *force majeure*.

If convening a shareholders' meeting in the form of a video conference, the Company shall, in addition to the provisions of the preceding paragraph, specify in the minutes the alternative

measures provided to shareholders who have difficulties in participating in the shareholders' meeting by video.

Article 16 (Public announcements)

The Company shall clearly disclose in the meeting venue and in the prescribed format the number of shares acquired by solicitors, the number of shares represented by entrusted agents and the number of shares of shareholders attending in writing or electronically on the day of the meeting. If the shareholders' meeting is held by video conference, the Company shall upload the information above to the video conference platform for the shareholders' meeting at least 30 minutes before the meeting, and continue to disclose it until the end of the meeting. When the shareholders' meeting is held in the form of a video conference, the Company shall disclose on the video conference platform the number of shareholders' rights present when the meeting is called to order. The same applies if there are other statistics on the total number of shares held by the shareholders present and the number of voting rights.

If the resolution of the shareholders' meeting contains any material information stipulated by law and provided by the Taiwan Stock Exchange Co., Ltd. (or the Taipei Exchange), the Company shall transmit the contents to the MOPS before the specified deadline.

Article 17 (Maintenance of the order of the venue)

The meeting affair staff of the shareholders' meeting shall wear identification cards or armbands.

The chairperson may command the picket or security personnel to assist in maintaining the order of the meeting venue. When assisting in maintaining order, the picket or security personnel shall wear an armband or identification card with the word "picket."

If sound amplification equipment is available at the meeting venue, the chairperson may stop shareholders from speaking if they speak on equipment not prepared by the Company.

If a shareholder violates the rules of procedure and fails to comply with the chairperson's correction, and hinders the meeting from proceeding, the chairperson may direct the picker or the security personnel to ask him to leave the meeting venue.

Article 18 (Break and meeting resumption)

When the meeting is in progress, the chairperson may announce a break at his discretion. In case of *force majeure*, the chairperson may rule to suspend the meeting and announce the time for continuation of the meeting as the case may be.

Before the conclusion of the proceedings (including extempore motions) scheduled for the shareholders' meeting, if the venue for the meeting cannot continue to be used, another venue may be found to continue the meeting upon the resolution of the shareholders.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, decide to postpone or renew the meeting within five days.

Article 19 (Information disclosure of video conference)

If the shareholders' meeting is held in the form of a video conference, the Company shall immediately disclose the voting results of various proposals and election results on the video conference platform of the shareholders' meeting after the voting is completed, and shall continue to disclose them for at least 15 minutes after the chairperson announces the adjournment of the meeting.

Article 20 (Location of the chairperson and minute taker of the video shareholders' meeting)

If the Company holds the shareholders' meeting in the form of a video conference, the chairperson and the recorders shall be in the same place in Taiwan, and the chairperson shall announce the address of the place at the meeting.

Article 21 (Handling of signal interruption)

Where the shareholders' meeting is held by video, the Company may provide a simple connection test for shareholders before the meeting, and provide relevant services immediately before and during the meeting to assist in handling technical problems of communication.

If the shareholders' meeting is held in the form of a video conference, the chairperson shall, when calling the meeting to order, announce that there is no need to postpone or continue the meeting per paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Before the chairperson announces the adjournment of the meeting, if there is any obstacle to the video conference platform or participation by video for more than 30 minutes due to any natural disaster, incident or other *force majeure*, the provisions of Article 182 of the Company Act shall not apply if the meeting should be postponed or resumed within five days.

In the event of a postponed or resumed meeting referred to in the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting.

If the meeting should be postponed or resumed in accordance with paragraph 2, for the shareholders who have registered to participate in the original shareholders' meeting by video and have completed their registration but have not participated in the postponed or resumed meeting, their number of shares present, voting rights and election rights exercised at the original shareholders' meeting shall be included in the total number of shares, voting rights and election rights of shareholders attending the postponed or resumed meeting.

When handling the postponed or resumed shareholders' meeting in accordance with paragraph 2, there is no need to re-discuss and adopt resolutions on the proposals for which the voting and vote counting have been completed, and the voting results or the list of elected Directors and supervisors has been announced.

When the Company holds a video-assisted shareholders' meeting, and it is impossible to resume the video meeting in paragraph 2, if the total number of shares present at the shareholders' meeting by video still meets the quorum of the shareholders' meeting after deducting the number of shares present at the shareholders' meeting by video, the shareholders' meeting shall continue without postponing or resuming the meeting in accordance with paragraph 2.

In the event that the meeting should be continued in accordance with the preceding paragraph, the number of shares represented by shareholders participating in the shareholders' meeting by video shall be included in the total number of shares represented by shareholders, but such shares shall be deemed to have abstained from all proposals at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with paragraph 2, relevant pre-processing operations shall be handled in accordance with the provisions of paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies and in accordance with the date of the original shareholders' meeting and the various provisions of the same Article.

During the periods specified in the latter paragraph of Article 12 and paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and paragraph 2 of Article 44-5, Article 44-15, and paragraph 1 of article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of the shareholders' meeting in accordance with paragraph 2 above.

Article 22 (Handling of digital gap)

When the Company holds the shareholders' meeting in the form of a video conference, it shall provide appropriate alternative measures for shareholders who have difficulties attending the shareholders' meeting via video.

Article 23

The Rules and any amendments hereto shall be implemented after adoption by the shareholders' meeting. The same procedure applies to the revision.

Article 24

The Rules were established on April 26, 1999.

The first amendment was made on May 20, 2002.

The second amendment was made on June 15, 2006.

The third amendment was made on June 24, 2016.

The fourth amendment was made on June 30, 2020.

The fifth amendment was made on June 28, 2021.

The sixth amendment was made on June 22, 2022.

Mechema Chemicals International Corp.

Rules of Procedures for Board Meetings

- Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's Board and to strengthen management capabilities, the Rules are adopted pursuant to the requirements under paragraph 8, Article 26-3 of the Securities and Exchange Act.
- Article 2: With respect to the Board meetings of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of the Rules.
- Article 3: The Board shall meet at least quarterly.
A notice for convening a Board meeting shall set out the time, venue, and reasons and be given to the Directors seven days before the meeting is convened in writing or via e-mail or fax with the prior consent of the recipients. In emergency circumstances, however, a Board meeting may be called on shorter notice.
The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.
All matters set forth under paragraph 1, Article 7 of these Rules shall be specified in the notice of the reasons for convening a Board meeting. None of those matters may be raised by an extempore motion.
- Article 4: A Board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all Directors to attend and suitable for holding Board meetings.
- Article 5: The designated unit responsible for the board meetings of the Company shall be the Administration Department.
The unit responsible for Board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.
A Director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for Board meetings. If a Director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the Board.
- Article 6: Agenda items for regular Board meetings of the Company shall include at least the following matters:
- I. Matters to be reported:
 - (I) Minutes of the last meeting and actions taken.
 - (II) Important financial and business matters.
 - (III) Internal audit activities.
 - (IV) Other important matters to be reported.
 - II. Matters of to be Discussed:
 - (I) Items for continued discussion from the last meeting.
 - (II) Items for discussion at this meeting.
 - III. Extempore motions.
- Article 7: Purpose
The matters listed below as they relate to the Company shall be raised for discussion at a Board meeting:
- I. The Company's business plan.
 - II. Annual financial statements and interim financial statements. However,

this shall not be limited to interim financial statements not requiring the audit and certification of CPAs according to the requirements under laws and regulations.

- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
- IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
- V. The offering, issuance, or private placement of equity-type securities.
- VI. The election or dismissal of the Chairman if there is no Managing Director of the Board in place.
- VII. The appointment or discharge of a financial, accounting, or internal audit officer.
- VIII. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.
- IX. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or Board meeting, or any material matter as may be prescribed by the competent authority.

The term “related party” in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term “major donation to a non-related party” means an individual donation, or cumulative donations within a one-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1% of net operating revenue or 5% of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders’ equity shall be substituted for the calculation of the amount equal to 5% of paid-in capital required under this paragraph.)

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

At least one Independent Director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a Board meeting as provided in the first paragraph, any and all Independent Directors shall attend the meeting. Where an Independent Director is unable to attend the meeting, that Independent Director shall appoint another Independent Director to attend the meeting as a proxy. If an Independent Director objects to or expresses reservations about such a matter, it shall be recorded in the Board meeting minutes; if an Independent Director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that Director shall issue a written opinion in advance, which shall be recorded in the Board meeting minutes.

Article 8: Apart from matters to be discussed by the Board in paragraph 1 of the preceding Article, the Board authorized the Chairman to exercise the powers of the Board

according to the requirements under laws and regulations; the content of authorization is as follows:

- I. Approval of material contract.
- II. Approval of borrowings on real estate and other borrowings.
- III. Approval for the acquisitions and disposals of general properties and real estate of the Company.
- IV. Appointment of directors and supervisors of investees.
- V. Approval for the base dates for a capital increase or capital reduction and the base date for the distribution of cash dividends.

Article 9: When a Board meeting is held, an attendance book shall be provided for signing-in by attending Directors, which shall be made available for future reference. Directors shall attend Board meetings in person. A Director unable to attend in person may appoint another Director to attend the meeting in his or her place in accordance with the Company's Articles of Association. Attendance by video conference will be deemed attendance in person.

A Director who engages another Director to attend a Board meeting shall, in each instance, issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 10: Board meetings shall be convened and chaired by the Chairman. However, with respect to the first meeting of each newly elected Board, it shall be called and chaired by the Director that received votes representing the largest portion of voting rights at the shareholders meeting in which the Directors were elected. If two or more persons are so entitled to convene the meeting, they shall select from among themselves one Director to serve as the chairperson.

When the Chairman is on leave or unable to perform his duties for some reason, the Vice Chairman shall act as his proxy. When there is not a Vice Chairman or the Vice Chairman is also on leave or unable to perform his duties for any reason, the Chairman shall designate a Managing Director to act as his proxy. When there are no Managing Directors, a Director shall be designated as the proxy; if the Chairman does not appoint a proxy, the Managing Directors or the Directors shall elect one among themselves as the proxy.

Article 11: The Chairman may designate personnel of relevant departments or subsidiaries to present at Board meetings as required by the content of proposals. When necessary, CPAs, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

Article 12: If one-half of all the Directors are not in attendance at the appointed meeting time, the chairperson may announce the postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures in paragraph 2, Article 3. The number of "all Directors," as used in the preceding paragraph and in subparagraph 2, paragraph 2, Article 17, shall be counted as the number of Directors then actually in office.

Article 13: A Board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of Directors in attendance at the Board meeting.

The chairperson may not declare the meeting closed without the approval of a majority of the Directors in attendance at the meeting.

At any time during the course of a Board meeting, if the number of Directors sitting at the meeting does not constitute a majority of the attending Directors, then upon the motion by a Director sitting at the meeting, the chairperson shall declare a suspension of the meeting, in which case, requirements set out in paragraph 1 of the preceding Article shall apply mutatis mutandis.

Article 14: When the chairperson at a Board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call a vote.

When a proposal comes to a vote at a Board meeting, if no attending Director voices an objection following an inquiry by the chairperson, the proposal will be deemed approved. If there is an objection following an inquiry by the chairperson, the proposal shall be brought to a vote.

One voting method for proposals at a Board meeting shall be selected by the chairperson from among those below, provided that when an attending Director has an objection, the chairperson shall seek the opinion of the majority to make a decision:

I. A show of hands or a vote by a voting machine.

II. A roll call vote.

III. A vote by ballot.

“Attending Directors,” as used in the preceding two paragraphs, does not include Directors that may not exercise voting rights pursuant to paragraph 1, Article 16.

Article 15: Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a Board meeting shall require the approval of a majority of the Directors in attendance at a Board meeting attended by a majority of all Directors.

When there is an amendment or replacement to a proposal, the chairperson shall determine the order of voting together with that of the original proposal. If one of the proposals is approved, the other proposals shall be deemed to be rejected, and no more voting shall be needed.

The persons who supervise and calculate the votes on proposals shall be appointed by the chairperson, but the vote supervisor shall have the status of shareholder.

Voting results shall be made known on-site immediately and recorded in writing.

Article 16: If a Director or a corporation that the Director represents is an interested party in relation to an agenda item, the Director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that Director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as a proxy for another Director.

Where a Director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a Board meeting, the provisions of paragraph 2, Article 180 of the Company Act apply mutatis mutandis in accordance with paragraph 3, Article 206 of the same Act.

Article 17: Discussions at a Board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

I. The meeting session (or year) and the time and place of the meeting.

II. The name of the chairperson.

III. The Directors’ attendance at the meeting, including the names and the number of Directors in attendance, excused, and absent.

IV. The names and titles of those attending the meeting as non-voting participants.

- V. The name of the minute taker.
- VI. Matters reported.
- VII. Matters discussed: The method of resolution and the result for each proposal; a summary of the comments made by Directors, experts, or other persons; the name of any Director that is an interested party as referred to in paragraph 1 of the preceding Article, an explanation of the important aspects of the relationship of interest, the reasons why the Director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an Independent Director pursuant to paragraph 4, Article 7.
- VIII. Extempore motions: The name of the proposer, the method of resolution and the result, a summary of the comments of any Director, expert, or other persons; the name of any Director that is an interested party as referred to in paragraph 1 of the preceding Article, an explanation of the important aspects of the relationship of interest, the reasons why the Director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
- IX. Other matters required to be recorded.
The occurrence of any of the following circumstances, with respect to a resolution passed at a Board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the information declaration website designated by the competent authority within two days from the date of the meeting:
 - I. Any objection or expression of reservations by an Independent Director expresses of which there is a record or written statement.
 - II. A resolution is adopted with the approval of two-thirds or more of all Directors without having been passed by the Audit Committee of the Company.
 The attendance book constitutes part of the minutes for each Board meeting and shall be retained for the duration of the existence of the Company.
 The minutes of a Board meeting shall bear the signature or seal of both the chairperson and the minute taker, and a copy of the minutes shall be distributed to each Director within 20 days from the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.
 The production and distribution of the meeting minutes in paragraph 1 may be conducted by electronic means.

Article 18: Proceedings of a Board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of five years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a Board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a Board meeting is held by video conference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 19: If the Board has Managing Directors, requirements under Article 2, paragraph 2 under Article 3, Articles 4 to 6, Article 9, and Articles 11 to the preceding Article may apply to the meeting procedures of Managing Directors *mutatis mutandis*; requirements under Article 3 and Article 4 may apply to the election or dismissal of the Chairman *mutatis mutandis*. However, meetings of Managing Directors are

held at regular intervals of seven days or less; notices of such meetings may be given to each Managing Director two days before the meeting.

Article 20: The establishment of and amendments to the Rules were implemented after receiving consent from the Board and reporting to the shareholders' meeting. If there is any amendment in the future, the Board may be authorized to make the resolution.

The Rules were established on May 23, 2003.

The first amendment was made on May 18, 2004.

The second amendment was made on December 27, 2006.

The third amendment was made on December 28, 2007.

The fourth amendment was made on April 7, 2010.

The fifth amendment was made on March 11, 2013.

The sixth amendment was made on March 27, 2020.

The seventh amendment was made on November 4, 2022.

Mechema Chemicals International Corp.
The number of shares held by all Directors and the minimum number of
shares to be held

- I. The legally required shareholding percentage and number of shares for the 12th session of Directors is as follows:

The number of ordinary shares issued by the Company is	74,986,304 shares
The percentage of shares that shall be held by all Directors as required by law	8%
The number of shares that shall be held by all Directors as required by law	5,998,904 shares

- II. The number of shares held by all Directors as of April 22, the book-closing date for the 2024 annual shareholders' meeting, is as follows:

Title	Name	Number of shares held	Shareholding percentage (%)	Remarks
Chairman	Lung-Tsai Yen	8,086,725	10.78%	Note 1
Director	Wen-Chi Yen	591,276	0.79%	
Director	Guoo-Kuang Yeh	386,000	0.51%	
Independent Director	Kao-Chin Wang	0	0%	
Independent Director	Meng-Shiou Lee	0	0%	
Independent Director	Shen-Yuan Chen	0	0%	
Independent Director	Chou Wei-Chun	0	0%	
Number and percentage of shares held by all Directors		9,064,001	12.09%	Note 1

Note 1: The shares of Chairman Lung-Tsai Yen, including 2,000,000 shares in a trust, belong to the shares entrusted with the reserved right of use.