



Stock Code: 4749

Advanced Echem Materials Company Limited

2025 Annual Shareholders' Meeting Meeting Handbook (Translation)

Method of Convening: Physical Annual Shareholders' Meeting
Date: June 18, 2025
Place: No. 428, Kewang Rd., Longtan District, Taoyuan City
(Conference Room, Aspire Resort)

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This is a translation of the agenda for the 2025 annual shareholders' meeting of Advanced echem materials company limited and is for reference only. in case of any discrepancy between the english and chinese versions, the chinese version shall prevail.

Table of Contents

I. Meeting Procedures	1
II. Meeting Agenda.....	2
(I) Report Items	3
(II) Acknowledgements	4
(III) Discussion Items	4
(IV) Extempore Motions.....	5
(V) Adjournment	5
III. Attachment	
(I) 2024 Business Report	6
(II) Audit Committee’s Review Report on the 2024 Financial Statements	9
(III) Table of Earnings Distribution for 2024.....	10
(IV) Comparison Table of the Provisions before and after the Amendments to the “Rules of Procedures of Board Meetings”	11
(V) Comparison Table of the Provisions before and after the Amendments to the “Procedures for Ethical Management and Guidelines for Conduct”	12
(VI) Independent Auditors’ Review Report and the 2024 Financial Statements	15
(VII) Comparison Table of the Provisions before and after the Amendments to the “Articles of Incorporation”.....	33
(VIII) Comparison Table of the Provisions before and after the Amendments to the “Procedures for the Acquisition or Disposal of Assets”	36
IV. Appendices	
(I) Rules for Shareholders’ Meetings.....	37
(II) Rules of Procedures of Board Meetings(Before Amendments)	46
(III) Procedures for Ethical Management and Guidelines for Conduct (Before Amendments).....	51
(IV) Articles of Incorporation (Before Amendments).....	57
(V) Procedures for the Acquisition or Disposal of Assets (Before Amendments)	63
(VI) Shareholdings of All Directors	78

I. Procedure for the Annual Shareholders' Meeting

Advanced Echem Materials Company Ltd.

Procedure for the 2025 Annual Shareholders' Meeting

- (I) Call the Meeting to Order
- (II) Chairman's Address
- (III) Report Items
- (IV) Acknowledgements
- (V) Discussion Items
- (VI) Extempore Motions
- (VII) Adjournment

II. Agenda for the Annual Shareholders' Meeting

Advanced Echem Materials Company Ltd. Agenda for 2025 Annual Shareholders' Meeting

Meeting Time: 10:00 a.m., Wednesday, June 18, 2025

Meeting Venue: No. 428, Kewang Rd., Longtan District, Taoyuan City (Conference Room, Aspire Resort)

Method of Convening: Physical Annual Shareholders' Meeting

(I) Call the Meeting to Order

(II) Chairman's Address

(III) Report Items:

(1) 2024 Business Report

(2) Audit Committee's Review Report on the 2024 Financial Statements

(3) Report on the Distribution of Employee Compensation and Director Remuneration for 2024

(4) Report on the Distribution of Cash Dividends for 2024

(5) Report on the Amendments to the Company's Rules of Procedures of Board Meetings

(6) Report on the Amendments to the Company's Procedures for Ethical Management and Guidelines for Conduct

(IV) Acknowledgments:

(1) 2024 Business Report and Financial Statements

(2) Table of Earnings Distribution for 2024

(V) Discussion Items:

(1) Amendment to the Company's Articles of Incorporation

(2) Amendment to the Company's Operational procedures for Acquisition and Disposal of Assets

(3) Proposal to Release the Prohibition on Directors from Participation in Competitive Business

(VI) Extempore Motions

(VII) Adjournment

Report Items

Item 1: 2024 Business Report

Explanation: Please refer to Attachment 1 for the 2024 Business Report (pages 6 to 8 of the handbook).

Item 2: Audit Committee's Review Report on the 2024 Financial Statements

Explanation: Please refer to Attachment 2 for the Audit Committee's Review Report on the 2024 Financial Statements (page 9 of the handbook).

Item 3: Report on the Distribution of Employee Compensation and Director Remuneration for 2024

Explanation:

1. In 2024, the Company's pre-tax net profit amounted to NT\$827,354,942. In accordance with the Company's Articles of Incorporation, NT\$73,379,596 is allocated for employee compensation and NT\$16,510,409 for director remuneration, which is expected to be distributed in cash, with no discrepancies from the recorded amounts.
2. The recipients of employee compensation are limited to full-time employees of the Company. The amount of compensation takes into consideration factors such as years of service, job level, work performance, overall contributions, and special achievements, etc. The Chairman of the Board is authorized to handle all related matters at their discretion.

Item 4: Report on the Distribution of Cash Dividends for 2024

Explanation:

1. According to Article 24 of the Articles of Incorporation, if profits are distributed in cash, such distribution shall be resolved by the Board of Directors and reported to the shareholders' meeting.
2. On March 14, 2025, the Board of Directors of the Company resolved to distribute cash dividends amounting to NT\$555,374,190 from the distributable earnings as of the end of 2024, with a distribution of NT\$6 per share. Please refer to Attachment 3 (page 10 of the handbook) for details. The cash dividend for this period will be calculated based on the proportion of shares held by shareholders recorded in the shareholder register as of the record date. The distribution will be made to each shareholder up to the nearest whole dollar, with any amounts below one dollar being unconditionally discarded and included in the Company's other income. The Chairman of the Board is authorized to determine the ex-dividend date and other related matters.
3. In the event that changes in the number of shares outstanding of the Company result in a modification of the dividend distribution ratio, the Chairman of the Board is authorized to handle the matter at their discretion.

Item 5: Report on the Amendments to the Company's Rules of Procedures of Board Meetings

Explanation: In accordance with the actual circumstances of the Company, it is proposed to amend the "Rules of Procedures of Board Meetings". Please refer to Attachment 4 for the comparison table of the provisions before and after amendments (page 11 of the handbook).

Item 6: Report on the Amendments to the Company's Procedures for Ethical Management and Guidelines for Conduct

Explanation: In accordance with the actual operation of the Company and clarification of the relevant regulations, it is proposed to amend the "Procedures for Ethical Management and Guidelines for Conduct". Please refer to Attachment 5 for the comparison table of the provisions before and after amendments (page 12 to 14 of the handbook).

Acknowledgments

Item 1: (Proposed by the Board)

Proposal: Adoption of the 2024 Business Report and Financial Statements

Explanation:

1. The financial statements of the Company have been audited by CPAs Lin, Cheng-Chih and Lin, Shang-Chih of Deloitte Taiwan.
2. The Business Report, Independent Auditors' Report, and Financial Statements for 2024 are available for review in Attachment 1 (pages 6 to 8 of the handbook) and Attachment 6 (pages 15 to 32 of the handbook). Approval is hereby requested.

Resolution:

Item 2: (Proposed by the Board)

Proposal: Adoption of the Table of Earnings Distribution for 2024

Explanation:

1. The distributable retained earnings of the Company for 2024 amount to NT\$950,218,081. By the end of 2024, the distributable earnings included a cash dividend distribution of NT\$555,374,190, which translates to a dividend of NT\$6 per share.
2. Please refer to Attachment 3 for the Table of Earnings Distribution for 2024 (page 10 of the handbook).

Resolution:

Discussion Items

Item 1: (Proposed by the Board)

Proposal: Amendment to the Company's "Articles of Incorporation". Please proceed to discuss.

Explanation: In compliance with legal regulations and operational needs of the Company, it is proposed to amend the "Articles of Incorporation". Please refer to Attachment 7 for the comparison table of the provisions before and after amendments (page 33 to 35 of the handbook).

Resolution:

Item 2: (Proposed by the Board)

Proposal: Amendment to the Company's Procedures for the Acquisition and Disposal of Assets. Please proceed to discuss.

Explanation: In accordance with operational and planning needs of the Company, it is proposed to amend the "Operational procedures for Acquisition and Disposal of Assets". Please refer to Attachment 8 for the comparison table of the provisions before and after amendments (page 36 of the handbook).

Resolution:

Item 3: (Proposed by the Board)

Proposal: Proposal for release the prohibition on directors from participation in competitive business. Please proceed to discuss.

Explanation:

1. Due to the fact that the directors of the Company may have investments in or manage other companies that operate in the same or similar business scope as the Company, and serve as directors of those companies, it is proposed, under the premise that this does not harm the interests of the Company, to request the shareholders' meeting to release the prohibition on directors and their representatives from participation in competitive business in accordance with Article 209 of the Company Act.
2. The proposed list of directors and their representatives for the removal of the non-compete restrictions is as follows:

Position	Name	Positions in other companies
Corporate director	Fineace Asset Management Co., Ltd.	Director of Gunitech Corp.
Corporate director	Representative of Fineace Asset Management Co., Ltd.: Wen-Hsiung Chan	Representative of corporate director of AEMC Japan Corporation. Representative of corporate director of TSS Holdings Limited
Corporate director	Representative of Fineace Asset management Co., Ltd.: Kuang-Lung Kuo	Representative of corporate director of AEMC Japan Corporation
Corporate director	Representative of I-Kej Investment Co.LTD.: Hsin-Hsin Li	Chairman of Kiwi Technology Inc.
		Independent director of Hiyes International Co., Ltd.
		Independent director of Silicon Optronics, Inc.
		Chairman, SBI & Capital 22 Management Inc..
		Chairman of Thinktop Capital Management Inc.
		Chairman of Neo One Capital Inc.
		Chairman of Taiwan-Japan Innovation Exchange Technology Co., Ltd.
		Chairman of Authentrend Technology Inc.
		Representative of corporate director of GaNrich Semiconductor Corporation
		Director of Kiwi Technology (Hong Kong) Co., Ltd.
Corporate director	Chang Wah Electromaterials Inc.	Director of Kiwi Technology (Japan) Co., Ltd.
		Director, GreenBee Ltd. (Japan)
Corporate director	Chang Wah Electromaterials Inc.	Director of Tian Zheng International Precision Machinery Co., Ltd.
Independent director	Wen-Guu Huang	Independent director of Chang Wah Technology Co., Ltd.

Resolution:

Extempore Motions

Adjournment

III. Attachment

Attachment 1.

Advanced Echem Materials Company Ltd.

2024 Business Report

In 2024, the Company's revenue experienced significant growth compared to that in 2023, with both revenue and net profit exceeding budgetary targets. The revenue and profit margins of semiconductor application products continue to grow, while display application products maintain a stable contribution to revenue.

The semiconductor industry application products are the main focus of the Company's operations. Looking ahead to 2025, the Company will continue to develop in this direction. Two key points for operations development: First, the trial production and the product verification by the clients for the Kaohsiung Second Plant and second phase of Tainan Plant have been completed. This marks a significant addition to our production capacity and revenue. Second, we will continue to develop innovative products tailored for specific industry applications, which is a key focus of our research and development efforts. These two development projects meet clients' demands and achieve the operational goals for 2025, as well as the future development blueprint.

Results of the Implementation of the Business Plan for 2024:

In 2024, the consolidated net operating revenue amounted to NT\$3.322 billion, representing a 40% increase compared to NT\$2.364 billion in 2023. Total operating expenses for the year were NT\$618 million, which is a 32% increase from NT\$469 million in 2023. The net profit after tax reached NT\$697 million, a significant increase of 119% from the net profit of NT\$318 million in 2023. Earnings per share were NT\$8.50, up 117% from NT\$3.91 in the previous year.

Unit: NT\$ thousand

Item / Year	2024	2023	Increase amount	Percentage of Increase
Operating revenue	3,321,861	2,364,382	957,479	40%
Gross profit	1,204,394	694,252	510,142	73%
Operating expenses	617,613	469,450	148,163	32%
Net operating income	586,794	224,802	361,992	161%
Non-operating income and expenses	241,553	136,634	104,919	77%
Net income after tax	697,069	318,372	378,697	119%
Earnings per share	8.50	3.91	4.59	117%

Summary of the Business Plan for 2025

1. Operational Objectives
The revenue target for 2025 is for the semiconductor industry to achieve a growth rate exceeding 20%, while the display industry is expected to experience a decline of less than 20%.
2. Production Strategies
 - (1) The introduction of smart and automated processes in manufacturing aims to enhance production efficiency and reduce management costs.
 - (2) With Taoyuan serving as the operational headquarters, the Company can effectively leverage the advantages of each factory's specialization to provide solutions that best meet customer demands.
 - (3) Strengthen target management to reduce inventory and increase inventory turnover rate.
 - (4) Strengthen supply chain deployment to diversify the risk of raw material sources.
 - (5) Expand production scale and capacity to reduce the production costs of products.
3. Sales Strategies
 - (1) Identify market trends, provide more professional and high-quality products and

- services, and thereby expand market share.
- (2) In response to customer demands, customized products are designed to meet and fulfill customer expectations.
 - (3) Develop strategic alliances, vertically integrate the upstream and downstream supply chains, strengthen connections with customers, and enhance added value.
 - (4) Expand overseas markets, actively secure long-term orders from international major manufacturers, and stabilize performance growth; these actions not only meet domestic demands but also satisfy the needs of overseas factories. They also help to obtain sources for specialized technical collaboration and opportunities for new product development.
 - (5) Enhance quality maintenance, improve product quality stability, and strengthen product characteristics to meet customer requirements.
4. Research and Development Strategies
- (1) Identify future product development trends and participate in early-stage product research and development projects with clients to gain advantage in markets.
 - (2) Integrate relevant raw material resources from related industries, shorten the development timeline, accelerate technology exchange, and rapidly develop new products to reduce development costs.
 - (3) Actively develop new products to enhance the diversity and completeness of the product portfolio.
 - (4) Collaborate with international major companies, allocate professional talent, and absorb technical experience to enhance research and development capabilities.
 - (5) In response to the client's process requirements, the Company develops customized new products tailored to enhance the client's market competitiveness.
 - (6) By integrating domestic and international collaborations among industry, government, and academia, the Company aims to establish our own key technologies and patents, focusing on the development of next-generation technologies and products.
5. Operational Strategies
- (1) Enhance internal employee training to improve professionalism, attract outstanding talent, and strengthen the Company's competitive advantage.
 - (2) Accelerate international expansion, strengthen partnerships with upstream suppliers and downstream clients, and create an ideal result that every party wins.
 - (3) Focus on businesses with niche markets and development potential, strengthen project-based organizational structures, and enhance decision-making efficiency and operational performance.
 - (4) Integrate internal information systems to reduce unnecessary paperwork, implement an online systematization, and enhance the efficiency of information utilization and management timeliness.
 - (5) Enhance internal systems, comply with laws and regulations, and implement risk management mechanisms, in order to establish a high-quality corporate governance culture and fulfill our corporate social responsibility, with the goal of making AEMC a key local supplier in the research and development as well as manufacturing of essential materials.
6. Financial Strategies
- (1) Maintain a sound financial structure as a strong support for the general operation of the Company.
 - (2) Plan the utilization methods for both short-term and long-term funds, strengthen capital risk management, and identify potential risks.
 - (3) In alignment with the Company's operational objectives and development plans, we will continue to maintain stable financial operations and strengthen our business foundation.

Impact of External Competitive Environment, Regulatory Environment, and General Operation Environment

According to estimates by DIGITIMES, the revenue of the global wafer foundry industry has reached USD 159.1 billion in 2024, representing a year-on-year increase of 14%. Looking ahead to 2025, demand in the global wafer foundry sector will continue to be driven by AI and High-Performance Computing (HPC) applications. The demand for advanced processes and advanced packaging is expected to remain robust, while the revenue momentum for mature processes will depend on the strength of the electronic industry's peak season effects in the second half of 2025. The global wafer foundry industry revenue is anticipated to reach USD 184 billion in 2025, reflecting an approximate year-on-year growth of 16%. By 2029, global wafer foundry revenue is

expected to exceed USD 270 billion, with a compound annual growth rate (CAGR) of 11.5% from 2024 to 2029. Notably, the strong demand for advanced processes and advanced packaging driven by AI and HPC applications will be the primary force propelling revenue growth in the wafer foundry industry over the next five years.

With the rise of emerging fields such as high-performance computing (HPC), artificial intelligence (AI), and autonomous vehicles, these applications have placed higher demands on semiconductor products, particularly in terms of processing speed, computational power, and data transmission speed. This not only drives semiconductor chips towards advanced manufacturing processes but also simultaneously accelerates the development of advanced packaging and heterogeneous integration. With the assistance of advanced packaging technology, it is possible to integrate logic chips, sensors, computer memory, and other components onto a single platform, achieving reduced energy consumption, enhanced performance, and a significant reduction in chip size. Furthermore, as the advanced semiconductor manufacturing processes approach their limits, advanced packaging has recently emerged as the focal point for the continued development of high-speed computing capabilities in the semiconductor industry. According to Yole, a market research firm, the advanced packaging market is projected to grow significantly at a compound annual growth rate of 11% from 2023 to 2029.

Future Operational Strategies Deployment and Outlook:

1. Target markets: The Company continues to focus on materials related to semiconductor photolithography processes and begin to expand into DUV photoresists, with advanced semiconductor packaging being included as one of the primary objectives and allocating marketing and research and development resources accordingly.
2. Customer management: Leverage the advantages of customized services using new materials to expand the customer base, strengthen customer trust, and contribute innovative value.
3. Product development and research innovation: Maintain the four major product development directions
 - (1) Advanced semiconductor manufacturing materials
 - (2) Advanced semiconductor packaging materials
 - (3) Optical component materials for semiconductors
 - (4) New generation display materialsThe Company aligns with target markets and customer demands, develops innovative technologies and products that occupy the leading position in the market, and fosters mutual operational growth between customers and AEMC.
4. Manufacturing operations:
 - (1) The Kaohsiung Second Plant and the second phase of Tainan Plant have completed product trial production and delivery to customers, and verification has been completed.
 - (2) The Kaohsiung First Plant has established an advanced photolithography process testing line and related product mass production lines to advance the mass production of photoresist peripheral products and the development and trial production of DUV photoresist.
 - (3) The Taoyuan Plant has partially converted its production lines to semiconductor photolithography photoresist peripheral material production lines.
 - (4) Establish a new research and development synthetic experimental line to advance leading material technologies and products, while simultaneously setting up a pilot production line for the synthesis of key raw materials for products.

Advanced Echem Materials Company Ltd.

Audit Committee Review Report

The approval is hereby granted.

The Board of Directors of the Company has submitted the Company's Business Report and Financial Statements for 2024, including the consolidated financial statements. The aforementioned business report and financial statements (including consolidated financial statements) have been reviewed by the Audit Committee.

After review, it is determined that there are no discrepancies. Therefore, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act,

a report shall be prepared and submitted for review.

To

2025 Annual Shareholders' Meeting of the Company

Advanced Echem Materials Company Ltd.

Convener of the Audit Committee: Tammy Wang

March 14, 2025

Advanced Echem Materials Company Ltd.

2024 Earnings Distribution Table

Unit: NT\$

Item		Amount
Beginning Undistributed Earnings		322,126,832
Add:Defined benefit plan remeasurements are recognized in retained earnings	341,627	
Add:2024 net profit	697,537,539	
Less:Distribution of 10% as legal reserve	(69,787,917)	
Distributable Earnings as of December 31, 2024		950,218,081
Distribution Items:		
- Common share cash dividend (NT\$6.0 per share)		(555,374,190)
Ending Undistributed Retained Earnings		394,843,891

Advanced Echem Materials Company Ltd.

Comparison Table of the Provisions before and after the Amendments to the Rules of Procedures of Board Meetings

Article	Amended provisions	Current provisions	Explanation for amendments
Article 5.	<p>The unit responsible for handling the affairs of the Board of Directors of the Company is the <u>Corporate Governance Officer and the departments under its jurisdiction, or the departments designated by the General Manager.</u></p> <p>The agenda working group shall prepare agenda items for Board of Directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting. If a director believes that the meeting materials are insufficient, they may request additional information from the administrative unit, which shall provide the requested materials by the day before the meeting. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the Board of Directors.</p> <p>The Company <u>has appointed</u> a Corporate Governance Officer responsible for addressing the requests of the Board of Directors. In accordance with the principle of providing timely and effective assistance to the directors in the execution of their duties, matters will be processed as quickly as possible within seven days.</p>	<p>The agenda working group, which is responsible for handling the Board meeting affairs, is the <u>Administrative Management Office.</u></p> <p>The agenda working group shall prepare agenda items for Board of Directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.</p> <p>If a director believes that the meeting materials are insufficient, they may request additional information from the administrative unit, which shall provide the requested materials by the day before the meeting. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the Board of Directors.</p> <p>The Company <u>has not appointed</u> a Corporate Governance Officer; <u>therefore, the Administrative Management Office is</u> responsible for addressing the requests of the Board of Directors. In accordance with the principle of providing timely and effective assistance to the directors in the execution of their duties, matters will be processed as quickly as possible within seven days.</p>	<p>Amendment is made based on the Company's operational practices and organizational adjustments.</p>

Advanced Echem Materials Company Ltd.

Comparison Table of the Provisions before and after the Amendments to the Procedures for Ethical Management and Guidelines for Conduct

Article	Amended provisions	Current provisions	Explanation
Article 4.	For the purposes of these Procedures and Guidelines, the term “benefits” means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name <u>amounting to NT\$3,000 or more.</u>	For the purposes of these Procedures and Guidelines, the term “benefits” means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.	Amendment is made in accordance with the practical operations of the Company in order to clarify the regulations.
Article 6.	<p>Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:</p> <p>I. For the Company’s responsible departments, the conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.</p> <p>II. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.</p> <p>III. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.</p> <p>IV. Attendance at folk festivals that are open to and invite the attendance of the general public.</p> <p>V. Rewards, emergency assistance, condolence payments, or honorariums from</p>	<p>Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:</p> <p>I. For the Company’s responsible departments, the conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.</p> <p>II. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.</p> <p>III. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.</p> <p>IV. Attendance at folk festivals that are open to and invite the attendance of the general public.</p>	Amendment is made in accordance with the practical operations of the Company in order to clarify the regulations.

Article	Amended provisions	Current provisions	Explanation
	<p>the management.</p> <p>VI. Due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.</p> <p>VII. <u>All gifts given in the name of the Company should include the Company's name on the gift.</u></p> <p>VIII. Other conduct that complies with the rules of the Company.</p> <p><u>Personnel of the Company are prohibited from accepting cash, checks, or any other negotiable securities (such as gift certificates, stocks, etc.), and are also prohibited from accepting any stock options or similar benefits offered by clients or vendors outside of public trading markets.</u></p>	<p>V. Rewards, emergency assistance, condolence payments, or honorariums from the management.</p> <p>VI. Due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.</p> <p>VII. Other conduct that complies with the rules of the Company.</p>	
Article 7.	<p>Procedures for handling the acceptance of improper benefits</p> <p>Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:</p> <p>I. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within three days from the acceptance of the benefit, and the responsible unit shall be notified if necessary. <u>If there are concerns that declining the gift may lead to an inappropriate situation, and the individual temporarily accepts gifts exceeding the stipulated limits, they must submit the aforementioned gift to the General Secretary of the Employee Welfare Committee for unified handling within seven days.</u></p> <p>II. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's</p>	<p>Procedures for handling the acceptance of improper benefits</p> <p>Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:</p> <p>I. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within three days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.</p> <p>II. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to their immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within three days from the acceptance of the benefit, the personnel shall refer the</p>	Amendment is made in accordance with the practical operations of the Company in order to clarify the regulations.

Article	Amended provisions	Current provisions	Explanation
	<p>personnel, the personnel shall return or refuse the benefit, and shall report to their immediate supervisor and notify the responsible unit of the Company. <u>If there are concerns that declining the gift may lead to an inappropriate situation, and the individual temporarily accepts gifts exceeding the stipulated limits, they must submit the aforementioned gift to the General Secretary of the Employee Welfare Committee for unified handling within seven days.</u></p> <p>“[A] relationship of interest between the party providing or offering the benefit and the official duties of the Company’s personnel,” as referred to in the preceding paragraph, refers to one of the following circumstances:</p> <ol style="list-style-type: none"> When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established. Other circumstances in which a decision regarding the Company’s business, or the execution or non-execution of business, will result in a beneficial or adverse impact. <p>The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the Chairman.</p>	<p>matter to the responsible unit for handling.</p> <p>“[A] relationship of interest between the party providing or offering the benefit and the official duties of the Company’s personnel,” as referred to in the preceding paragraph, refers to one of the following circumstances:</p> <ol style="list-style-type: none"> When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established. Other circumstances in which a decision regarding the Company’s business, or the execution or non-execution of business, will result in a beneficial or adverse impact. <p>The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the Chairman.</p>	
Article 9.	<p><u>The Company and its subsidiaries do not, in principle, provide any political donations.</u></p>	<p>The Company does not provide any political donations.</p>	<p>Amendment is made in accordance with the practical operations of the Company in order to clarify the regulations.</p>

Independent Auditors' Report

Advanced Echem Materials Company Ltd.

For general public information:

Opinions

Advanced Echem Materials Company Ltd.'s Parent Company Only Balance Sheets as of December 31, 2024 and 2023, in addition to the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2024 and 2023, have been audited by the CPAs.

In our opinion, the Parent Company Only Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, and are considered to have reasonably expressed the parent company only financial conditions of Advanced Echem Materials Company Ltd. as of December 31, 2024 and 2023, as well as the parent company only financial performance and parent company only cash flows from January 1 to December 31, 2024 and 2023.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Advanced Echem Materials Company Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of Advanced Echem Materials Company Ltd. for the year ended December 31, 2024. These matters were addressed in the context of our audit of the Parent Company Only 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 Parent Company Only Financial Statements of Advanced Echem Materials Company Ltd. for the year ended December 31, 2024 are stated as follows:

Authenticity of Sales Revenue

Advanced Echem Materials Company Ltd. primarily derives its revenue from the sale of precision specialty chemical materials. For the year ended December 31, 2024, net operating revenue amounted to NT\$3,311,240 thousand. Please refer to Notes 4 and 22 to the financial statements for the accounting policies related to revenue recognition. Revenue is recognized when control of the promised goods is transferred to customers and the performance obligations are satisfied.

The CPA assessed the risk of material misstatement related to the authenticity of revenue recognition for certain customers of Advanced Echem Materials Company Ltd. for the year 2024.

Accordingly, the CPA performed the following audit procedures to verify the authenticity of revenue recognition:

1. Understanding and testing the design and operating effectiveness of key internal controls over revenue recognition.
2. Inspecting samples to verify whether sales revenue was supported by original customer purchase orders and customer-signed delivery documents, with appropriate approvals.
3. Inspecting whether the product names and quantities recorded on internal and external supporting documents were consistent, and whether the amounts matched those recognized as sales revenue.
4. Inspecting and examining the reasonableness of collections of accounts receivable from specific customers and verifying that the payees and amounts collected were consistent with the recognized sales revenue.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

In preparing the Parent Company Only Financial Statements, the management is responsible for assessing Advanced Echem Materials Company Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate Advanced Echem Materials Company Ltd. 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 Advanced Echem Materials Company Ltd.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Advanced Echem Materials Company Ltd..
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Advanced Echem Materials Company Ltd.'s ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditors' report. However, future events or conditions may cause Advanced Echem Materials Company Ltd. to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and items.

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.

From the matters communicated with those charged with governance, we determine the key audit matters of Advanced Echem Materials Company Ltd.'s Parent Company Only Financial Statements for the year ended December 31, 2024. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Cheng-Chih Lin and Shang-Chih Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2025

Notice to Readers

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

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

Advanced Echem Materials Company Ltd.
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit: NT\$ thousand

Code	Assets	December 31, 2024		December 31, 2023		Code	Liabilities and Equity	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current Assets						Current Liabilities				
1100	Cash and cash equivalents (Notes 6 and 30)	\$ 415,163	8	\$ 388,160	9	2100	Short-term borrowings (Note 17 and 30)	\$ 180,000	3	\$ 480,000	11
1170	Accounts receivable - non-related parties (Notes 8, 22, and 30)	495,191	9	411,975	9	2170	Accounts payable - non-related parties (Notes 18 and 30)	97,169	2	72,402	2
1180	Accounts receivable - related parties (Notes 22, 30, and 31)					2180	Accounts payable - related parties (Notes 30 and 31)	99,985	2	96,525	2
		31,574	-	50	-	2206	Accrued profit sharing bonus to employees and remuneration of directors (Notes 2 and 3)	90,086	2	30,549	1
1200	Other receivables (Note 30)	196	-	3,347	-	2219	Other payables (Notes 19 and 30)	288,852	6	204,245	4
130X	Inventories (Notes 5 and 9)	677,095	13	693,862	16	2220	Other payables - related parties (Notes 30 and 31)	7,398	-	1,126	-
1410	Prepayments (Note 16)	112,977	2	129,319	3	2230	Current tax liabilities (Note 24)	122,708	2	31,274	1
1460	Non-current assets held for sale (Notes 10 and 31)	-	-	235,827	5	2280	Lease liabilities - current (Notes 13, and 30)	17,487	-	11,831	-
1476	Other financial assets - current (Notes 30 and 32)	40,093	1	45,500	1	2322	Current portion of long-term borrowings (Notes 17, 30, and 32)	247,676	5	271,561	6
1479	Other current assets (Note 16)	-	-	40	-	2399	Other current liabilities (Note 19)	4,475	-	5,642	-
11XX	Total current assets	<u>1,772,289</u>	<u>33</u>	<u>1,908,080</u>	<u>43</u>	21XX	Total current liabilities	<u>1,155,836</u>	<u>22</u>	<u>1,205,155</u>	<u>27</u>
	Non-current assets						Non-current liabilities				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 30)	49,079	1	39,474	1	2540	Long-term borrowings (Notes 17, 30 and 32)	1,101,999	21	666,170	15
1550	Investments accounted for using the equity method (Note 11)	226,988	4	171,894	4	2580	Lease liabilities - non-current (Notes 13, and 30)	135,072	2	109,333	3
1600	Property, plant, and equipment (Notes 22, and 32)	2,756,908	52	1,809,944	41	2640	Net defined benefit liabilities - non-current (Note 20)	378	-	678	-
1755	Right-of-use assets (Note 13)	149,068	3	118,666	3	2645	Guarantee deposits received (Notes 30 and 31)	3,366	-	3,308	-
1760	Investment properties (Notes 14, 31, and 32)	135,237	3	142,915	3	25XX	Total non-current liabilities	<u>1,240,815</u>	<u>23</u>	<u>779,489</u>	<u>18</u>
1821	Other intangible assets (Note 15)	19,543	-	19,648	-	2XXX	Total liabilities	<u>2,396,651</u>	<u>45</u>	<u>1,984,644</u>	<u>45</u>
1840	Deferred tax assets (Note 24)	27,540	-	19,393	-		Equity (Notes 21 and 26)				
1915	Prepayments for equipment	138,238	3	165,135	4		Capital stock				
1920	Refundable deposits (Note 30)	9,644	-	4,883	-	3110	Capital stock - common shares	822,763	15	820,053	19
1980	Other financial assets - non-current (Notes 30 and 32)	37,125	1	25,013	1	3200	Capital surplus	900,562	17	897,588	20
15XX	Total non-current assets	<u>3,549,370</u>	<u>67</u>	<u>2,516,965</u>	<u>57</u>	3310	Retained earnings	153,669	3	121,898	3
						3350	Legal reserve	1,020,006	19	583,513	13
						3300	Unappropriated earnings	1,173,675	22	705,411	16
						3400	Total retained earnings	28,008	1	17,349	-
							Other equity				
						3XXX	Total equity	<u>2,925,008</u>	<u>55</u>	<u>2,440,401</u>	<u>55</u>
1XXX	Total assets	<u>\$ 5,321,659</u>	<u>100</u>	<u>\$ 4,425,045</u>	<u>100</u>		Total liabilities and equity	<u>\$ 5,321,659</u>	<u>100</u>	<u>\$ 4,425,045</u>	<u>100</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Advanced Echem Materials Company Ltd.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

(Unit: NT\$ thousand, Except Earnings Per Share)

Code		For the Year Ended December 31, 2024		For the Year Ended December 31, 2023	
		Amount	%	Amount	%
4100	Operating revenue (Notes 22, and 31)	\$ 3,311,240	100	\$ 2,301,887	100
5110	Operating costs (Notes 9, 23, and 31)	<u>2,110,979</u>	<u>64</u>	<u>1,615,421</u>	<u>70</u>
5900	Gross profit	<u>1,200,261</u>	<u>36</u>	<u>686,466</u>	<u>30</u>
	Operating expenses (Notes 8, 23, and 31)				
6100	Selling and marketing expenses	69,021	2	57,979	2
6200	General and administrative expenses	263,510	8	176,141	8
6300	R&D expenses	277,533	8	235,236	10
6450	Expected credit losses (or reversal)	(<u>251</u>)	<u>-</u>	(<u>1,390</u>)	<u>-</u>
6000	Total operating expenses	<u>609,813</u>	<u>18</u>	<u>467,966</u>	<u>20</u>
6500	Other income and expenses, net (Note 23)	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>
6900	Net operating income	<u>590,461</u>	<u>18</u>	<u>218,500</u>	<u>10</u>
	Non-operating income and expenses (Notes 11, 23, and 27)				
7100	Interest income	3,889	-	3,271	-
7010	Other income	96,540	3	87,971	4
7020	Other gains and losses	93,358	3	(1,269)	-
7050	Finance costs	(20,080)	(1)	(13,497)	(1)
7070	Share of profit or loss of subsidiaries and associates accounted for using the equity method	<u>63,187</u>	<u>2</u>	<u>66,130</u>	<u>3</u>
7000	Total non-operating income and expenses	<u>236,894</u>	<u>7</u>	<u>142,606</u>	<u>6</u>

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Code		For the Year Ended December 31, 2024		For the Year Ended December 31, 2023	
		Amount	%	Amount	%
7900	Net income before tax	\$ 827,355	25	\$ 361,106	16
7950	Income tax expense (Note 24)	<u>129,817</u>	<u>4</u>	<u>42,734</u>	<u>2</u>
8200	Net income for the year	<u>697,538</u>	<u>21</u>	<u>318,372</u>	<u>14</u>
	Other comprehensive income				
8310	Components that will not be reclassified to profit or loss:				
8311	Gains (losses) on re-measurements of defined benefit plans (Note 20)	341	-	(664)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income (Notes 21 and 30)	9,605	-	(35,519)	(2)
8360	Components that may be reclassified to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations (Note 21)	<u>1,054</u>	<u>-</u>	<u>(791)</u>	<u>-</u>
8300	Other comprehensive income for the current year	<u>11,000</u>	<u>-</u>	<u>(36,974)</u>	<u>(2)</u>
8500	Total comprehensive income for the current year	<u>\$ 708,538</u>	<u>21</u>	<u>\$ 281,398</u>	<u>12</u>
	Earnings per share (Note 25)				
9710	Basic	<u>\$ 8.50</u>		<u>\$ 3.91</u>	
9810	Diluted	<u>\$ 8.43</u>		<u>\$ 3.86</u>	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Advanced Echem Materials Company Ltd.
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

(Unit: NT\$ thousand, Unless Specified Otherwise)

Code		Capital stock (Note 21)		Capital surplus (Notes 21 and 26)	Retained earnings (Note 21)		Other equity items (Note 21)		Total equity
		Number of Shares (in Thousands)	Capital stock - common shares		Legal reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	
A1	Balance as of January 1, 2023	81,315	\$ 813,143	\$ 888,849	\$ 83,012	\$ 549,044	\$ 2,207	\$ 51,452	\$ 2,387,707
	Distribution of earnings for 2022								
B1	Legal reserve	-	-	-	38,886	(38,886)	-	-	-
B5	Cash dividends	-	-	-	-	(244,353)	-	-	(244,353)
D1	Net income in 2023	-	-	-	-	318,372	-	-	318,372
D3	Other comprehensive income after tax in 2023	-	-	-	-	(664)	(791)	(35,519)	(36,974)
D5	Total comprehensive income in 2023	-	-	-	-	317,708	(791)	(35,519)	281,398
G1	Employee stock option exercises	691	6,910	6,910	-	-	-	-	13,820
N1	Share-based compensation cost	-	-	1,829	-	-	-	-	1,829
Z1	Balance as of December 31, 2023	82,006	820,053	897,588	121,898	583,513	1,416	15,933	2,440,401
	Distribution of earnings for 2023								
B1	Legal reserve	-	-	-	31,771	(31,771)	-	-	-
B5	Cash dividends	-	-	-	-	(229,615)	-	-	(229,615)
D1	Net income in 2024	-	-	-	-	697,538	-	-	697,538
D3	Other comprehensive income after tax in 2024	-	-	-	-	341	1,054	9,605	11,000
D5	Total comprehensive income in 2024	-	-	-	-	697,879	1,054	9,605	708,538
G1	Employee stock option exercises	271	2,710	2,710	-	-	-	-	5,420
N1	Share-based compensation cost	-	-	264	-	-	-	-	264
Z1	Balance as of December 31, 2024	<u>82,277</u>	<u>\$ 822,763</u>	<u>\$ 900,562</u>	<u>\$ 153,669</u>	<u>\$ 1,020,006</u>	<u>\$ 2,470</u>	<u>\$ 25,538</u>	<u>\$ 2,925,008</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Advanced Echem Materials Company Ltd.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

Code		For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
AAAA	Cash flows from operating activities		
A10000	Net income before tax for the current year	\$ 827,355	\$ 361,106
A20010	Adjustments:		
A20100	Depreciation expenses	223,083	190,114
A20200	Amortization expenses	7,201	5,232
A20300	Expected credit losses (or reversal)	(251)	(1,390)
A20900	Finance costs	20,080	13,497
A21200	Interest income	(3,889)	(3,271)
A21300	Dividend income	(9,416)	(9,416)
A21900	Share-based compensation cost	264	1,829
A22400	Share of profit or loss of subsidiaries and associates accounted for using the equity method	(63,187)	(66,130)
A22500	Net gain from the disposal of property, plant, and equipment	(13)	-
A23200	Gain on disposal of investments accounted for using the equity method	(72,119)	-
A29900	Loss on disposal of subsidiaries	567	-
A23700	Loss on inventory valuation and obsolescence	20,667	40,097
A24100	Net foreign exchange gains (losses)	(8,603)	5,267
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable - non-related parties	(79,879)	(28,367)
A31160	Accounts receivable - related parties	(31,524)	-
A31180	Other receivables	3,246	(2,857)
A31190	Other receivables – related parties	-	8,354
A31200	Inventories	(3,900)	(160,912)
A31230	Prepayments	16,342	(33,309)
A31240	Other current assets	40	(6)
A32125	Contract liabilities	-	(238,095)
A32150	Accounts payable - non-related parties	24,809	(41,631)
A32160	Accounts payable - related parties	3,460	25,916
A32180	Other payables	88,755	(19,210)
A32190	Other payables – related parties	6,272	1,126
A32230	Other current liabilities	(1,167)	5,008
A32240	Net defined benefit liabilities	41	69
A32990	Accrued profit sharing bonus to employees and remuneration of directors	59,537	(12,173)
A33000	Net cash generated from operations	1,027,771	40,848
A33300	Interest paid	(24,768)	(14,124)
A33500	Income tax paid	(46,530)	(89,403)
	Net cash flows generated from (used in) operating activities	956,473	(62,679)

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Code		For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
BBBB	Cash flows from investing activities		
B01800	Acquisition of investments accounted for using the equity method	(\$ 35,000)	(\$ 26,908)
B01900	Disposal of investments accounted for using the equity method	327,045	-
B02700	Acquisition of property, plant, and equipment	(979,545)	(405,071)
B02800	Disposal of property, plant, and equipment	13	-
B03700	Increase in refundable deposits	(5,027)	(1,256)
B03800	Decrease in refundable deposits	266	16,707
B04500	Acquisition of intangible assets	(7,096)	(11,241)
B06500	Increase in other financial assets	(77,218)	(70,513)
B06600	Decrease in other financial assets	70,513	55,294
B07100	Prepayments for equipment	(138,238)	(165,135)
B07500	Interest received	3,794	3,148
B07600	Cash dividends received from associates - common stock	24,470	32,707
B09900	Cash dividends received from associates - preferred stock	9,416	9,416
	Net cash flows used in investing activities	(806,607)	(562,852)
CCCC	Cash flows from financing activities		
C00100	Increase in short-term borrowings	2,420,000	2,740,000
C00200	Decrease in short-term borrowings	(2,720,000)	(2,260,000)
C01600	Proceeds from long-term borrowings	706,280	401,170
C01700	Repayments of long-term borrowings	(294,336)	(275,711)
C03000	Increase (decrease) in guarantee deposits received	58	(14)
C04020	Repayments of lease principal	(16,160)	(11,959)
C04500	Cash dividends paid	(229,615)	(244,353)
C04800	Employee stock option exercises	5,420	13,820
	Net cash flows from (used in) financing activities	(128,353)	362,953
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	5,490	(904)
EEEE	Net increase (decrease) in cash and cash equivalents for the year	27,003	(263,482)
E00100	Cash and cash equivalents at beginning of period	388,160	651,642
E00200	Cash and cash equivalents at end of period	\$ 415,163	\$ 388,160

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Independent Auditors' Report

Advanced Echem Materials Company Ltd.

For general public information:

Opinions

Advanced Echem Materials Company Ltd. and its subsidiaries (hereinafter referred to as AEMC and its subsidiaries) Consolidated Balance Sheets as of December 31, 2024 and 2023, in addition to the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2024 and 2023, have been audited by the CPAs.

In our opinion, the Consolidated Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission in all material aspects, and are considered to have reasonably expressed the consolidated financial conditions of Advanced Echem Materials Company Ltd. and its subsidiaries as of December 31, 2024 and 2023, as well as the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2024 and 2023.

Basis for Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of AEMC and its subsidiaries for the year ended December 31, 2024. 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 Consolidated Financial Statements of AEMC and its subsidiaries for the year ended December 31, 2024 are stated as follows:

Authenticity of Sales Revenue

AEMC and its subsidiaries primarily derives its revenue from the sale of precision specialty chemical materials. For the year ended December 31, 2024, net operating revenue amounted to NT\$3,321,861 thousand. Please refer to Notes 4 and 14 to the financial statements for the accounting policies related to revenue recognition. Revenue is recognized when control of the promised goods is transferred to customers and the performance obligations are satisfied.

The CPA assessed the risk of material misstatement related to the authenticity of revenue recognition for certain customers of AEMC and its subsidiaries for the year 2024. Accordingly, the CPA performed the following audit procedures to verify the authenticity of revenue recognition:

1. Understanding and testing the design and operating effectiveness of key internal controls over revenue recognition.
2. Inspecting samples to verify whether sales revenue was supported by original customer purchase orders and customer-signed delivery documents, with appropriate approvals.
3. Inspecting whether the product names and quantities recorded on internal and external supporting documents were consistent, and whether the amounts matched those recognized as sales revenue.
4. Inspecting and examining the reasonableness of collections of accounts receivable from specific customers and verifying that the payees and amounts collected were consistent with the recognized sales revenue.

Other Matters

We have also audited the Parent Company Only Financial Statements of AEMC for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, the management is responsible for assessing AEMC and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate AEMC and its subsidiaries 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 AEMC and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Advanced Echem Materials Company Ltd. and its subsidiaries.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.

4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Advanced Echem Materials Company Ltd. and its subsidiaries' ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Advanced Echem Materials Company Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Advanced Echem Materials Company Ltd. and its subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements of the 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. From the matters communicated with those charged with governance, we determine the key audit matters of Advanced Echem Materials Company Ltd. and its subsidiaries' Consolidated Financial Statements for the year ended December 31, 2024. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Cheng-Chih Lin and Shang-Chih Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2025

Notice to Readers

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

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

Advanced Echem Materials Company Ltd. and its Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2024		December 31, 2023		Code	Liabilities and Equity	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current Assets						Current Liabilities				
1100	Cash and cash equivalents (Notes 6 and 33)	\$ 436,567	8	\$ 422,644	9	2100	Short-term borrowings (Note 19 and 33)	\$ 180,000	3	\$ 480,000	11
1136	Financial assets at amortized cost - current (Notes 8 and 33)	12,500	-	-	-	2170	Accounts payable - non-related parties (Notes 20 and 33)	97,169	2	81,916	2
1170	Accounts receivable - non-related parties (Notes 4, 24, and 33)	531,944	10	432,676	10	2180	Accounts payable - related parties (Notes 33 and 34)	99,985	2	96,525	2
1180	Accounts receivable - related parties (Notes 24, 33, and 34)	17	-	50	-	2206	Accrued profit sharing bonus to employees and remuneration of directors (Note 25)	90,086	2	30,549	1
1200	Other receivables (Note 30)	196	-	3,347	-	2219	Other payables (Notes 21 and 33)	293,857	6	204,988	4
1220	Current tax assets (Note 26)	30	-	-	-	2220	Other payables - related parties (Notes 21, 3 and 34)	126	-	-	-
130X	Inventories (Notes 5 and 11)	677,095	13	693,862	16	2230	Current tax liabilities (Note 26)	123,946	2	31,352	1
1410	Prepayments (Note 18)	115,985	2	129,395	3	2280	Lease liabilities - current (Note 15)	18,440	-	11,922	-
1460	Non-current assets held for sale (Notes 10 and 34)	-	-	235,827	5	2322	Current portion of long-term borrowings (Notes 19, 33, and 35)	247,676	5	271,561	6
1476	Other financial assets - current (Notes 33 and 35)	40,093	1	45,500	1	2399	Other current liabilities (Note 21)	4,600	-	5,745	-
1479	Other current assets (Notes 18 and 26)	613	-	40	-	21XX	Total current liabilities	1,155,885	22	1,214,558	27
11XX	Total current assets	1,815,040	34	1,963,341	44		Non-current liabilities				
	Non-current assets					2540	Long-term borrowings (Notes 19, 33, and 35)	1,101,999	21	666,170	15
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 33)	49,079	1	39,474	1	2580	Lease liabilities - non-current (Notes 15)	137,880	2	109,333	3
1550	Investments accounted for using the equity method (Note 13)	168,965	3	125,751	3	2640	Net defined benefit liabilities - non-current (Note 22)	378	-	678	-
1600	Property, plant, and equipment (Notes 14 and 35)	2,769,946	52	1,809,946	41	2645	Guarantee deposits received (Notes 33 and 34)	3,366	-	3,308	-
1755	Right-of-use assets (Note 15)	152,788	3	118,795	3	25XX	Total non-current liabilities	1,243,623	23	779,489	18
1760	Investment properties (Notes 16, 34, and 35)	135,237	3	142,915	3	2XXX	Total liabilities	2,399,508	45	1,994,047	45
1805	Goodwill (Note 30)	10,826	-	-	-		Equity (Notes 23 and 28)				
1821	Other intangible assets (Note 27)	19,543	-	19,648	-	3110	Capital stock				
1840	Deferred tax assets (Note 24)	27,540	-	19,393	-	3200	Capital stock - common shares	822,763	15	820,053	19
1915	Prepayments for equipment	138,416	3	165,135	4		Capital surplus	900,562	17	897,588	20
1920	Refundable deposits (Note 33)	9,902	-	5,037	-		Retained earnings				
1980	Other financial assets - non-current (Notes 33 and 35)	37,125	1	25,013	1	3310	Legal reserve	153,669	3	121,898	3
15XX	Total non-current assets	3,519,367	66	2,471,107	56	3350	Unappropriated earnings	1,020,006	19	583,513	13
						3300	Total retained earnings	1,173,675	22	705,411	16
						3400	Other equity	28,008	1	17,349	-
							Total equity attributable to owners of the Company	2,925,008	55	2,440,401	55
						31XX	Company	2,925,008	55	2,440,401	55
						36XX	Non-controlling Interests (Note 23)	9,891	-	-	-
						3XXX	Total equity	2,934,899	55	2,440,401	55
1XXX	Total assets	\$ 5,334,407	100	\$ 4,434,448	100		Total liabilities and equity	\$ 5,334,407	100	\$ 4,434,448	100

The accompanying notes are an integral part of the Consolidated Financial Statements.

Advanced Echem Materials Company Ltd. and its Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(Unit: NT\$ thousand, Except Earnings Per Share)

Code		For the year ended December 31, 2024		For the year ended December 31, 2023	
		Amount	%	Amount	%
4100	Operating revenue (Notes 24 and 34)	\$ 3,321,861	100	\$ 2,364,382	100
5110	Operating costs (Notes 11, 25, and 34)	(2,117,467)	(64)	(1,670,130)	(70)
5900	Gross profit	1,204,394	36	694,252	30
	Operating expenses (Notes 9, 25, and 34)				
6100	Selling and marketing expenses	72,408	2	58,521	2
6200	General and administrative expenses	266,549	8	177,083	8
6300	R&D expenses	278,907	8	235,236	10
6450	Expected credit losses (or reversal)	(251)	-	(1,390)	-
6000	Total operating expenses	617,613	18	469,450	20
6500	Other income and expenses, net (Note 25)	13	-	-	-
6900	Net operating income	586,794	18	224,802	10
	Non-operating income and expenses (Notes 13, 25, and 29)				
7100	Interest income	4,140	-	3,288	-
7010	Other income	96,540	3	87,971	4
7020	Other gains and losses	93,347	3	(1,269)	-
7050	Finance costs	(20,158)	(1)	(13,497)	(1)
7060	Share of profit or loss of associates accounted for using the equity method	67,684	2	60,141	3
7000	Net non-operating income and expenses	241,553	7	136,634	6
7900	Net income before tax	828,347	25	361,436	16
7950	Income tax expense (Note 26)	131,278	4	43,064	2
8200	Net income	697,069	21	318,372	14

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Code		For the year ended December 31, 2024		For the year ended December 31, 2023	
		Amount	%	Amount	%
	Other comprehensive income				
	Components that will not be reclassified to profit or loss:				
8311	Gains (losses) on re- measurements of defined benefit plans (Note 22)	\$ 341	-	(\$ 664)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income (Notes 23)	9,605	-	(35,519)	(2)
	Components that may be reclassified to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations (Note 23)	1,054	-	(791)	-
8300	Other comprehensive income for the current year	11,000	-	(36,974)	(2)
8500	Total comprehensive income	<u>\$ 708,069</u>	<u>21</u>	<u>\$ 281,398</u>	<u>12</u>
	Net profit (loss) attributable to:				
8610	Owners of the Company	\$ 697,538	21	\$ 318,372	13
8620	Non-controlling Interests	(469)	-	-	-
8600		<u>\$ 697,069</u>	<u>21</u>	<u>\$ 318,372</u>	<u>13</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 708,538	21	\$ 281,398	12
8720	Non-controlling Interests	(469)	-	-	-
8700		<u>\$ 708,069</u>	<u>21</u>	<u>\$ 281,398</u>	<u>12</u>
	Earnings per share (Note 27)				
9710	Basic	<u>\$ 8.50</u>		<u>\$ 3.91</u>	
9810	Diluted	<u>\$ 8.43</u>		<u>\$ 3.86</u>	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Advanced Echem Materials Company Ltd. and its Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

(Unit: NT\$ thousand, Unless Specified Otherwise)

		Equity Attributable to Owners of the Parent Company									
		Capital stock (Note 23)			Retained earnings (Note 23)		Other equity items (Note 23)		Total equity attributable to owners of the Company	Non-controlling Interests (Note 23)	Total equity
Code		Number of Shares (in Thousands)	Capital stock - common shares	Capital surplus (Notes 23 and 28)	Legal reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income			
A1	Balance as of January 1, 2023	81,315	\$ 813,143	\$ 888,849	\$ 83,012	\$ 549,044	\$ 2,207	\$ 51,452	\$ 2,387,707	\$ -	\$ 2,387,707
	Distribution of earnings for 2022										
B1	Legal reserve	-	-	-	38,886	(38,886)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(244,353)	-	-	(244,353)	-	(244,353)
D1	Net income in 2023	-	-	-	-	318,372	-	-	318,372	-	318,372
D3	Other comprehensive income after tax in 2023	-	-	-	-	(664)	(791)	(35,519)	(36,974)	-	(36,974)
D5	Total comprehensive income in 2023	-	-	-	-	317,708	(791)	(35,519)	281,398	-	281,398
G1	Employee stock option exercises	691	6,910	6,910	-	-	-	-	13,820	-	13,820
N1	Share-based compensation cost	-	-	1,829	-	-	-	-	1,829	-	1,829
Z1	Balance as of December 31, 2023	82,006	820,053	897,588	121,898	583,513	1,416	15,933	2,440,401	-	2,440,401
	Distribution of earnings for 2023										
B1	Legal reserve	-	-	-	31,771	(31,771)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(229,615)	-	-	(229,615)	-	(229,615)
D1	Net income in 2024	-	-	-	-	697,538	-	-	697,538	(469)	697,069
D3	Other comprehensive income after tax in 2024	-	-	-	-	341	1,054	9,605	11,000	-	11,000
D5	Total comprehensive income in 2024	-	-	-	-	697,879	1,054	9,605	708,538	(469)	708,069
G1	Employee stock option exercises	271	2,710	2,710	-	-	-	-	5,420	-	5,420
N1	Share-based compensation cost	-	-	264	-	-	-	-	264	-	264
O1	Non-controlling Interests	-	-	-	-	-	-	-	-	10,360	10,360
Z1	Balance as of December 31, 2024	82,277	\$ 822,763	\$ 900,562	\$ 153,669	\$ 1,020,006	\$ 2,470	\$ 25,538	\$ 2,925,008	\$ 9,891	\$ 2,934,899

The accompanying notes are an integral part of the Consolidated Financial Statements.

Advanced Echem Materials Company Ltd. and its Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code		For the year ended December 31, 2024	For the year ended December 31, 2023
AAAA	Cash flows from operating activities		
A10000	Net income before tax for the current year	\$ 828,347	\$ 361,436
A20010	Adjustments:		
A20100	Depreciation expenses	224,673	190,217
A20200	Amortization expenses	7,201	5,232
A20300	Expected credit losses (or reversal)	(251)	(1,390)
A20900	Finance costs	20,158	13,497
A21200	Interest income	(4,140)	(3,288)
A21300	Dividend income	(9,416)	(9,416)
A21900	Share-based compensation cost	264	1,829
A22300	Share of profit or loss of associates accounted for using the equity method	(67,684)	(60,141)
A22500	Net gain from the disposal of property, plant, and equipment	(13)	-
A23200	Gain on disposal of investments accounted for using the equity method	(72,119)	-
A29900	Loss on disposal of subsidiaries	567	-
A23700	Loss on inventory valuation and obsolescence	20,667	40,097
A24100	Net foreign exchange gains (losses)	(8,603)	5,267
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable - non-related parties	(95,768)	(31,000)
A31160	Accounts receivable - related parties	33	-
A31180	Other receivables	1,922	(2,837)
A31190	Other receivables – related parties	-	8,354
A31200	Inventories	(3,900)	(160,912)
A31230	Prepayments	14,511	(33,327)
A31240	Other current assets	(573)	(5)
A32125	Contract liabilities	-	(238,095)
A32150	Accounts payable - non-related parties	14,548	(41,703)
A32160	Accounts payable - related parties	3,460	25,916
A32180	Other payables	83,607	(18,613)
A32190	Other payables – related parties	126	-
A32230	Other current liabilities	(1,248)	5,111
A32240	Net defined benefit liabilities	41	69
A32990	Accrued profit sharing bonus to employees and remuneration of directors	59,537	(12,173)
A33000	Net cash generated from operations	1,015,947	44,125
A33300	Interest paid	(24,899)	(14,124)
A33500	Income tax paid	(46,861)	(89,655)
	Net cash flows generated from (used in) operating activities	944,187	(59,654)

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Code		For the year ended December 31, 2024	For the year ended December 31, 2023
BBBB	Cash flows from investing activities		
B00050	Disposal of financial assets at amortized cost	\$ 2,500	\$ -
B01900	Disposal of investments accounted for using the equity method	307,946	-
B02200	Acquisition of subsidiaries (excluding cash obtained)	(18,813)	-
B02700	Acquisition of property, plant, and equipment	(980,980)	(405,071)
B02800	Disposal of property, plant, and equipment	13	-
B03700	Increase in refundable deposits	(5,060)	(1,412)
B03800	Decrease in refundable deposits	367	16,707
B04500	Acquisition of intangible assets	(7,096)	(11,241)
B06500	Increase in other financial assets	(77,218)	(70,513)
B06600	Decrease in other financial assets	70,513	55,294
B07100	Prepayments for equipment	(138,416)	(165,135)
B07500	Interest received	4,168	3,165
B07600	Cash dividends received from associates - common stock	24,470	32,707
B09900	Cash dividends received from associates - preferred stock	9,416	9,416
	Net cash flows used in investing activities	(808,190)	(536,083)
CCCC	Cash flows from financing activities		
C00100	Increase in short-term borrowings	2,420,000	2,740,000
C00200	Decrease in short-term borrowings	(2,720,000)	(2,260,000)
C01600	Proceeds from long-term borrowings	706,280	401,170
C01700	Repayments of long-term borrowings	(294,336)	(275,711)
C03000	Increase (decrease) in guarantee deposits received	58	(14)
C04020	Repayments of lease principal	(17,041)	(12,067)
C04500	Cash dividends paid	(229,615)	(244,353)
C04800	Employee stock option exercises	5,420	13,820
	Net cash flows from (used in) financing activities	(129,234)	362,845
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	7,160	(1,692)
EEEE	Net increase (decrease) in cash and cash equivalents for the year	13,923	(234,584)
E00100	Cash and cash equivalents at beginning of period	422,644	657,228
E00200	Cash and cash equivalents at end of period	\$ 436,567	\$ 422,644

The accompanying notes are an integral part of the Consolidated Financial Statements.

Advanced Echem Materials Company Ltd.

Comparison Table of the Provisions before and after the Amendments to the Articles of Incorporation

Article	Amended provisions	Current provisions	Explanation
Article 2.	<p>The business operations of the Company is as follows:</p> <ol style="list-style-type: none"> 1. F119010 Wholesale of Electronic Materials (<u>limited to operations outside science parks</u>) 2. C802990 Other Chemical Products Manufacturing 3. J101080 Resource Recycling (<u>limited to operations outside science parks</u>) 4. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval (<u>limited to operations outside science parks</u>) 	<p>The business operations of the Company is as follows:</p> <ol style="list-style-type: none"> 1. F119010 Wholesale of Electronic Materials 2. C802990 Other Chemical Products Manufacturing 3. J101080 Resource Recycling 4. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval 	<p>The Company applies for admission to the science park; therefore, in accordance with the specified business activities regulations, the business operation of the Company shall be specified.</p>
Article 6.	<p>The total capital of the Company is set at NT\$1.5 billion, divided into 150 million shares, with a par value of NT\$10 per share. The authorization is granted to the Board of Directors for the issuance of unissued shares in installments.</p> <p>In the aforementioned capital amount, 7.2 million shares are reserved for the issuance of employee stock option certificates or special shares with attached stock options, with authorization granted to the Board of Directors for their issuance in installments.</p> <p>The Company issues employee stock options, transfers treasury shares acquired in accordance with the law to employees, ensures that a certain percentage of newly issued shares is reserved for employee purchase, and issues new shares with restricted rights to employees, including those from controlling or subordinate companies that meet specific conditions, with the conditions to be determined by the Board of Directors.</p> <p>The Company issues employee stock options, and the issuance price of the stock options shall not be subject to the restrictions outlined in Article 53 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers. Furthermore, it shall be submitted for resolution at</p>	<p>The total capital of the Company is set at NT\$1 billion, divided into 100 million shares, with a par value of NT\$10 per share. The authorization is granted to the Board of Directors for the issuance of unissued shares in installments.</p> <p>In the aforementioned capital amount, 7.2 million shares are reserved for the issuance of employee stock option certificates or special shares with attached stock options, with authorization granted to the Board of Directors for their issuance in installments.</p> <p>The Company issues employee stock options, transfers treasury shares acquired in accordance with the law to employees, ensures that a certain percentage of newly issued shares is reserved for employee purchase, and issues new shares with restricted rights to employees, including those from controlling or subordinate companies that meet specific conditions, with the conditions to be determined by the Board of Directors.</p> <p>The Company issues employee stock options, and the issuance price of the stock options shall not be subject to the restrictions outlined in Article 53 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers. Furthermore, it shall be submitted for resolution at the</p>	<p>Amendment is made to align with the Company's demands in business development</p>

Article	Amended provisions	Current provisions	Explanation
	the shareholders' meeting in accordance with the provisions of Article 56-1 of the aforementioned regulations, requiring it shall be resolved in the latest shareholders' meeting attended by shareholders representing more than one-half of the total shares issued, and the resolution shall be approved by more than two-thirds of the attended shareholders.	shareholders' meeting in accordance with the provisions of Article 56-1 of the aforementioned regulations, requiring it shall be resolved in the latest shareholders' meeting attended by shareholders representing more than one-half of the total shares issued, and the resolution shall be approved by more than two-thirds of the attended shareholders.	
Article 23.	<p>If the Company generates profits in a fiscal year (where profits refer to pre-tax earnings after deducting employee compensation and director remuneration), it shall allocate no less than 5% for employee compensation and no more than <u>3%</u> for director remuneration. However, when the Company still has accumulated losses, it should retain a provision for the amount to be compensated. <u>Of the aforementioned employee compensation ratio, no less than 10% should be allocated for the distribution of compensation to rank and file employees.</u></p> <p>The compensation for the aforementioned employees may be provided in the form of stock or cash, and the recipients include employees of controlled or subordinate companies who meet the criteria established by the Board of Directors. The aforementioned remuneration for directors shall be paid in cash only. The first two items should be resolved by the Board of Directors and reported to the shareholders' meeting.</p>	<p>If the Company generates profits in a fiscal year (where profits refer to pre-tax earnings after deducting employee compensation and director remuneration), it shall allocate no less than 5% for employee compensation and no more than <u>2%</u> for director remuneration. However, when the Company still has accumulated losses, it should retain a provision for the amount to be compensated.</p> <p>The compensation for the aforementioned employees may be provided in the form of stock or cash, and the recipients include employees of controlled or subordinate companies who meet the criteria established by the Board of Directors. The aforementioned remuneration for directors shall be paid in cash only. The first two items should be resolved by the Board of Directors and reported to the shareholders' meeting.</p>	Amendment is made to director remuneration and in compliance with the Order No. 1130385442 issued by the Financial Supervisory Commission.

Article	Amended provisions	Current provisions	Explanation
Article 28	<p>The Charter was established on September 15, 2003.</p> <p>The 1st amendment was made on September 26, 2003.</p> <p>The 2nd amendment was made on March 1, 2004.</p> <p>The 3rd amendment was made on October 29, 2004.</p> <p>The 4th amendment was made on May 27, 2005.</p> <p>The 5th amendment was made on June 19, 2008.</p> <p>The 6th amendment was made on June 29, 2009.</p> <p>The 7th amendment was made on June 29, 2010.</p> <p>The 8th amendment was made on June 29, <u>2012</u>.</p> <p>The 9th amendment was made on June 28, 2013.</p> <p>The 10th amendment was made on June 18, 2015.</p> <p>The 11th amendment was made on June 21, 2016.</p> <p>The 12th amendment was made on August 18, 2016.</p> <p>The 13th amendment was made on October 28, 2021.</p> <p>The 14th amendment was made on June 21, 2022.</p> <p>The 15th amendment was made on June 12, 2023.</p> <p>The 16th amendment was made on June 21, 2024.</p> <p><u>The 17th amendment was made on June 18, 2025.</u></p>	<p>The Charter was established on September 15, 2003.</p> <p>The 1st amendment was made on September 26, 2003.</p> <p>The 2nd amendment was made on March 1, 2004.</p> <p>The 3rd amendment was made on October 29, 2004.</p> <p>The 4th amendment was made on May 27, 2005.</p> <p>The 5th amendment was made on June 19, 2008.</p> <p>The 6th amendment was made on June 29, 2009.</p> <p>The 7th amendment was made on June 29, 2010.</p> <p>The 8th amendment was made on June 29, 2012.</p> <p>The 9th amendment was made on June 28, 2013.</p> <p>The 10th amendment was made on June 18, 2015.</p> <p>The 11th amendment was made on June 21, 2016.</p> <p>The 12th amendment was made on August 18, 2016.</p> <p>The 13th amendment was made on October 28, 2021.</p> <p>The 14th amendment was made on June 21, 2022.</p> <p>The 15th amendment was made on June 12, 2023.</p> <p>The 16th amendment was made on June 21, 2024.</p>	Amendment is made to add the date and number of amendment, as well as revising the text.

Advanced Echem Materials Company Ltd.

Comparison Table of the Provisions before and after the Amendments to the Procedures for the Acquisition or Disposal of Assets

Article	Amended provisions	Current provisions	Explanation
Article 6.	<p>6.Scope and amount of investment: The Company and its subsidiaries, in addition to acquiring real estate and right-of-use assets for business operations, are also permitted to invest in the purchase of real estate and right-of-use assets not intended for business operations, as well as securities. The limitations on these investments are as follows.</p> <p>(1)The total amount of real estate and its right-of-use assets not intended for business operations shall not exceed 20 percent of the net value as reported in the most recent financial statements of the Company; for subsidiaries, it shall not exceed 10 percent of the net value as reported in their most recent financial statements.</p> <p>(2)The total amount of securities shall not exceed <u>35</u> percent of the net value as reported in the most recent financial statements of the Company; for subsidiaries, it shall not exceed 10 percent of the net value as reported in their most recent financial statements.</p> <p>(3)The total amount of investing individual securities shall not exceed <u>25</u> percent of the net value as reported in the most recent financial statements of the Company; for subsidiaries, it shall not exceed 10 percent of the net value as reported in their most recent financial statements.</p>	<p>6.Scope and amount of investment: The Company and its subsidiaries, in addition to acquiring real estate and right-of-use assets for business operations, are also permitted to invest in the purchase of real estate and right-of-use assets not intended for business operations, as well as securities. The limitations on these investments are as follows. When calculating the amount stipulated in subparagraphs (4) and (5), those investments which participate in the investment of establishment or serve as directors or members of the Audit Committee, and intend to hold these items long term, may be excluded from the calculation.</p> <p>(1)The total amount of real estate and its right-of-use assets not intended for business operations shall not exceed 20 percent of the net value as reported in the most recent financial statements of the Company; for subsidiaries, it shall not exceed 10 percent of the net value as reported in their most recent financial statements.</p> <p>(2)The total amount of securities shall not exceed 20 percent of the net value as reported in the most recent financial statements of the Company; for subsidiaries, it shall not exceed 10 percent of the net value as reported in their most recent financial statements.</p> <p>(3)The total amount of investing individual securities shall not exceed 20 percent of the net value as reported in the most recent financial statements of the Company; for subsidiaries, it shall not exceed 10 percent of the net value as reported in their most recent financial statements.</p> <p>(4)The Company and its subsidiaries shall not invest in any individual publicly listed or over the counter company in an amount exceeding one percent of the net asset value as reported in their most recent financial statements.</p> <p>(5)The Company and its subsidiaries shall not invest in any individual publicly listed or over the counter company in an amount exceeding five percent of the total issued shares of the said individual publicly listed or over the counter company.</p>	Amendment is made due to demands of Company operations and planning

IV. Appendices

Appendix 1.

Advanced Echem Materials Company Ltd.

Rules for Shareholders' Meetings

- Article 1. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies.
- Article 2. The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3. (Convention and notice of shareholders' meeting)
Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.
The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of an annual shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the annual shareholders' meeting or before 15 days before the date of the special shareholders' meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the annual shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.
The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:
1. For physical shareholders' meetings, to be distributed on-site at the meeting.
 2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
 3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
Election or dismissal of directors, amendments to the company charter, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2

of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extempore motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at an annual shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4. (Proxy for attendance at shareholders' meetings and authorization)

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. However, the declaration of cancellation of previously appointed proxies is not subject to this limitation.

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

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5. (Principles determining the time and place of a shareholders meeting)

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

Article 6. (Preparation of documents such as the attendance book)

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

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

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

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

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

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting handbook, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

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

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

1. The method in which shareholders attend the virtual meeting and how they exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
 - (4) Actions to be taken if the outcome of all proposals have been announced and the extempore motion has not been carried out.
3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7. (The chair and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of the Board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

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

Article 8. (Documentation of a shareholders' meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9. (Calculation of shareholding attendance at shareholders' meetings and meeting proceedings)

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

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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

Article 10. (Discussion of proposals)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11. (Shareholder speech)

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

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

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12. (Calculation of voting shares)

Voting at a shareholders' meeting shall be calculated based the number of shares.

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

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

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

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

Article 13. (Voting procedures, vote monitoring, and ballot counting methods)

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

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence.

However, after the Company is listed, shareholders shall exercise their voting rights electronically, although they may also do so in writing. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, with respect to the extraordinary motions and amendments to original proposals of that meeting, the aforementioned shareholder is deemed to have waived their rights; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, the declaration of cancellation of previously specified intent is not subject to this limitation. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Company Charters, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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

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

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

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extempore motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14. (Election matters)

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15. (Meeting minutes and signed items)

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

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

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and minute taker's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16. (Public disclosure)

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17. (Maintaining order at the meeting place)

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

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

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

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

Article 18. (Recess and resumption of a shareholders' meeting)

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

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19. (Disclosure of information at virtual meetings)

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20. (Location of the chair and minute taker of virtual-only shareholders' meeting)

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

Article 21. (Handling of disconnection)

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

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced

the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22. (Addressing the digital divide)

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

Article 23. These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Advanced Echem Materials Company Ltd.

Rules of Procedures of Board Meetings

- Article 1. To establish a sound governance system for the Board of Directors of the Company, assist directors in performing their duties, enhance the effectiveness of the Board, ensure robust oversight functions, and strengthen management capabilities, these Rules and Procedures are formulated in accordance with Article 2 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.
- Article 2. The Company’s rules and procedures for meetings of its Board of Directors, the main agenda items, operational procedures, required content of meeting minutes, public disclosures, and other compliance requirements for Board meetings shall be handled in accordance with these Rules of Procedures. Additionally, matters related to requests from directors shall also be handled in accordance with these Rules of Procedures, unless otherwise stipulated by laws or the Company’s Company Charter.
- Article 3. The Board of Directors shall meet at least quarterly.
The reasons for calling a Board of Directors meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.
The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof. All matters set out in the subparagraphs of Article 7, paragraph 1 of these Rules of Procedures, except in cases of unforeseen emergencies or justifiable reasons, shall be specified in the notice of the reasons for calling a Board of Directors meeting; none of them may be raised by an extempore motion.
- Article 4. A Board of Directors meeting shall be held at the location and during the business hours of the Company, or at a place and time convenient to attendance by all directors and suitable for holding a Board of Directors meeting.
The directors of the Company shall be provided with appropriate and timely information, the form and quality of which must be sufficient to enable the directors to make decisions based on an understanding of the relevant data and to fulfill their responsibilities as directors.
- Article 5. The agenda working group, which is responsible for handling the Board meeting affairs, is the Administrative Management Office.
The agenda working group shall prepare agenda items for Board of Directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.
If a director believes that the meeting materials are insufficient, they may request additional information from the administrative unit, which shall provide the requested materials by the day before the meeting. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the Board of Directors.
The Company has not appointed a Corporate Governance Officer; therefore, the Administrative Management Office is responsible for addressing the requests of the Board of Directors. In accordance with the principle of providing timely and effective assistance to the directors in the execution of their duties, matters will be processed as quickly as possible within seven days.
- Article 6. Agenda items for regular Board of Directors meetings shall include at least the following:
1. Management Presentation:
 - (1) Minutes of the last meeting and implementation status.
 - (2) Reporting on important financial and business matters.
 - (3) Reporting on internal audit activities.
 - (4) Other important matters to be reported.
 2. Discussions:
 - (1) Items discussed and continued from the last meeting.
 - (2) Items for discussion at this meeting.

3. Extempore motions.
- Article 7. A company shall submit the following items for discussion by the Board of Directors:
1. Corporate business plan.
 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the effectiveness of the internal control system.
 4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
 5. The offering, issuance, or private placement of any equity-type securities.
 6. The appointment or discharge of a financial, accounting, or internal audit officer.
 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.
 8. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 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 one percent of net operating revenue or five percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

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 of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempted from inclusion in the calculation.

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

- Article 8. Except for matters that should be submitted to the Board of Directors for discussion as stipulated in 1 of Article 7, during the recess of the Board of Directors, the Board may, in accordance with current laws or the Company's Company Charter, authorize the Chairman to exercise the powers of the Board. The content or matters of such authorization shall be handled in accordance with the Company's "Table of Approval Authority".

- Article 9. When a meeting of the Board of Directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All Board directors shall attend Board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's Company Charter, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person. A director appointing another director to attend a

Board meeting in their place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

- Article 10. Where a meeting of the Board of Directors is called by the Chairman of the Board, the meeting shall be chaired by the Chairman. However, where the first meeting of each newly elected Board of Directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a meeting of the Board of Directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

- Article 11. During the meetings of the Board of Directors, the Finance Department shall prepare relevant materials as references for the attending directors at any time.

When holding a meeting of the Board of Directors, the Company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as non-voting participants. When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

- Article 12. The Chairman of the Board shall announce the commencement of the meeting when the scheduled time has arrived and a majority of the directors are present. When the meeting time is due and one-half all directors are not present, the meeting chair may announce that the meeting time will be postponed, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the meeting following the procedures provided in Article 3, paragraph 2.

The term "all directors" as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.

- Article 13. A Board of Directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.

If at any time during the proceedings of a Board of Directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case paragraph 2 of the preceding article shall apply *mutatis mutandis*.

- Article 14. When the chair at a Board of Directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote. When a proposal comes to a vote at a Board of Directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved, with the same effect as if it had been passed by a vote. If there are any objections after the chair consults the attending directors, the proposal shall be submitted immediately for a vote. The method of voting shall be determined by the chair in accordance with one of the following provisions; however, if there are objections

from the attending directors, the decision shall be made based on the majority opinion:

1. Voting by raising hands or using a voting device.
2. Roll call vote.
3. Casting ballots.
4. Voting methods selected by the Company.

“Attending directors” in the preceding two paragraphs does not include directors prohibited from exercising voting rights pursuant to Article 16, paragraph 1.

Article 15. Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. However, when any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. If it is necessary to call for vote monitoring and counting personnel for the voting on a proposal, they shall be appointed by the chair, provided that all monitoring personnel shall be directors of the Company. The results of the vote shall be reported on-site and recorded.

Article 16. For any agenda items presented to the Board that may have a vested interest related to themselves or the legal entities they represent, the directors must disclose the significant details of their interests during the meeting. If the conflict may be detrimental to the interests of the Company, they shall not participate in the discussion or voting, and they must recuse themselves during the discussion and voting process. Furthermore, they are prohibited from exercising voting rights on behalf of other directors.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be having a vested interest with respect to that agenda item.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of Board of Directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

Article 17. Minutes shall be prepared of the discussions at Board of Directors meetings. The meeting minutes shall record the following:

1. Session (or year), time, and place of meeting.
2. Name of the meeting chair.
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minute taker.
6. Matters reported on.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, 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 under Article 7, paragraph 4.
8. Extempore motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, 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.

9. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a meeting of the Board of Directors shall be stated in the meeting minutes and within two days of the meeting be published on the Market Observation Post System website designated by the Financial Supervisory Commission:

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
2. For a company that has established an Audit Committee, any matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all directors without having been passed by the Audit Committee.

The attendance book forms a part of the minutes for each Board of Directors meeting and shall be well preserved during the existence of the Company.

The minutes of a Board of Directors meeting shall bear the signature or seal of both the meeting chair and the minute taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important Company records during the existence of the Company.

The meeting minutes referred to in paragraph 1 may be produced and distributed in electronic form.

Article 18. The Company shall record on audio or video tape the entire proceedings of a Board of Directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a Board of Directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a Board of Directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Company.

Article 19. If the Board of Directors has managing directors, the provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 6, Article 9, and Articles 11 to 18 shall apply mutatis mutandis to the procedure for meetings of the managing directors. However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.

Article 20. In accordance with Article 27 of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies, the Company may establish an Audit Committee, a Remuneration Committee, or other functional committees, taking into consideration the size of the Board of Directors and the number of independent directors.

Article 21. These Rules of Procedures shall be implemented after being approved by the Board of Directors and shall be reported to the most recent shareholders' meeting. The same procedure shall apply to any amendments.

Advanced Echem Materials Company Ltd. Procedures for Ethical Management and Guidelines for Conduct

- Article 1. The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter referred to as “Procedures and Guidelines”) are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties.
The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company’s accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.
- Article 2. For the purposes of these Procedures and Guidelines, the term “personnel of the Company” refers to any director, supervisor, managerial officer, employee, mandatory or person having substantial control, of the Company or its group enterprises and organizations.
Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.
- Article 3. For the purposes of these Procedures and Guidelines, “unethical conduct” means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.
The subjects of the aforementioned actions include public officials, candidates for political office, political parties or party officials, as well as any public or private enterprises or institutions and their directors, supervisors, managers, employees, persons having substantial control, or other stakeholders.
- Article 4. For the purposes of these Procedures and Guidelines, the term “benefits” means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.
- Article 5. The Company shall designate the Ethical Management Office as the solely responsible unit (hereinafter, “responsible unit”) under the Board of Directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the Board of Directors:
1. Assisting in incorporating ethics and moral values into the Company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
 2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company’s operations and business.
 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
 4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
 5. Developing a whistle-blowing system and ensuring its operating effectiveness.

6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement, etc.

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

1. For the Company's responsible departments, the conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.
7. Other conduct that complies with the rules of the Company.

Article 7. Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within three days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to their immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within three days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the Chairman.

Article 8. The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provides or promises a facilitating payment under

threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

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

Article 9. The Company does not provide any political contributions.

Article 10. Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit.

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11. The directors, supervisors, managers, and other stakeholders present or attending the Board meeting of the Company, for any agenda items presented to the Board that may have a vested interest related to themselves or the legal entities they represent, must disclose the significant details of their interests during the meeting. If the conflict may be detrimental to the interests of the Company, they shall not participate in the discussion or voting, and they must recuse themselves during the discussion and voting process. Furthermore, they are prohibited from exercising voting rights on behalf of other directors. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be having a vested interest with respect to that agenda item.

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

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

Article 12. The Company has established the Legal and Intellectual Property Office, which is charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

Article 13. The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and shall not fix prices, manipulate bids, restrict production or quotas, or share or divide markets through the allocation of customers, suppliers, operating regions, or business types.

- Article 14. The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.
- The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.
- Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall recall those products or suspend the services as soon as possible, verify the facts and present a review and improvement plan.
- The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.
- Article 15. All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.
- Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.
- Article 16. The Company shall request its directors and senior executive to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.
- The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.
- Article 17. Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.
- When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:
1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
 2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
 3. Whether the enterprise's business operations are located in a country with a high risk of corruption.
 4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
 5. The long-term business condition and degree of goodwill of the enterprise.
 6. Consultation with the enterprise's business partners on their opinion of the enterprise.
 7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.
- Article 18. Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy

and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

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

Article 20. Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

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

Article 21. The Company encourages both internal and external personnel to report unethical or improper conduct. Internal personnel who have made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company's official website and its intranet have established and announced an internal independent reporting mailbox and hotline, or commission other external independent organizations to provide reporting mailboxes and hotlines for use by internal and external personnel of the Company.

A whistleblower shall at least furnish the following information:

1. the whistleblower's name and I.D. number (whistleblowing reports may be submitted anonymously), and an address, telephone number and e-mail address where it can be reached.
2. the informed party's name or other information sufficient to distinguish its identifying features.
3. specific facts available for investigation.

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

The procedures for handling whistleblowing incidents should at least observe the following procedures:

1. An information shall be reported to the department head if involving the rank and file employees and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek

4. damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of the Company shall report the whistleblowing case, actions taken, and subsequent reviews and corrective measures to the Board of Directors depending on the situation.

Article 22. If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23. The responsible unit of the Company shall organize awareness sessions at appropriate times and arrange the Chairman, General Manager, or senior management to communicate the importance of ethics to its directors, employees, and trustees. The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

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

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

Article 24. These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the Board of Directors, and shall be delivered to each supervisor and reported to the shareholders' meeting. The same shall apply to any amendments.

If the Company has appointed independent directors, it shall fully consider the opinions of all independent directors when submitting these Procedures and Guidelines to the Board of Directors for discussion in accordance with the preceding provisions. Any objections or reservations expressed by independent directors shall be recorded in the minutes of the Board meeting. If an independent director is unable to attend the meeting in person to express such objections or reservations, a written opinion shall be provided in advance, unless there is a legitimate reason, and included in the meeting minutes.

If the Company establishes an Audit Committee, any amendments to these operating Procedures and Guidelines of conduct must be approved by more than half of the members of the Audit Committee and subsequently submitted to the Board of Directors for resolution before being reported to the shareholders' meeting. If the approval of at least half of the members of the Audit Committee is not obtained, the amendment may be approved by at least two-thirds of the entire Board of Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

The terms "members of the Audit Committee" and "Board of Directors" in the preceding paragraph shall refer to those currently in office.

If the Company has established an Audit Committee, the Procedures and Guidelines applicable to supervisors shall apply mutatis mutandis to the Audit Committee.

Advanced Echem Materials Company Ltd.

Articles of Incorporation

Chapter 1. General Principles

- Article 1. The name of the organization established by the Company in accordance with the Company Act is “新應材股份有限公司”, and its English name is “Advanced Echem Materials Company Ltd.”
- Article 2. The business operations of the Company is as follows:
1. F119010 Wholesale of Electronic Materials
 2. C802990 Other Chemical Products Manufacturing
 3. J101080 Resource Recycling
 4. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval
- Article 3. The Company is headquartered in Taoyuan City. If necessary, it may establish branch offices domestically and internationally upon resolution by the Board of Directors and approval from the competent authorities.
- Article 4. The Company may provide external guarantees as required for business purposes.
- Article 5. The Company may, as necessary for business purposes, engage in external investments and may, upon resolution by the Board of Directors, become a limited liability shareholder in other companies. The total amount of such investments shall not be subject to the limitations regarding investment amounts as stipulated in Article 13 of the Company Act.
- Article 5-1 The Company’s announcement methods are conducted in accordance with the provisions of Article 28 of the Company Act.

Chapter 2. Stock

- Article 6. The total capital of the Company is set at NT\$1 billion, divided into 100 million shares, with a par value of NT\$10 per share. The authorization is granted to the Board of Directors for the issuance of unissued shares in installments.
- In the aforementioned capital amount, 7.2 million shares are reserved for the issuance of employee stock option certificates or special shares with attached stock options, with authorization granted to the Board of Directors for their issuance in installments.
- The Company issues employee stock options, transfers treasury shares acquired in accordance with the law to employees, ensures that a certain percentage of newly issued shares is reserved for employee purchase, and issues new shares with restricted rights to employees, including those from controlling or subordinate companies that meet specific conditions, with the conditions to be determined by the Board of Directors.
- The Company issues employee stock options, and the issuance price of the stock options shall not be subject to the restrictions outlined in Article 53 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers. Furthermore, it shall be submitted for resolution at the shareholders’ meeting in accordance with the provisions of Article 56-1 of the aforementioned regulations, requiring it shall be resolved in the latest shareholders’ meeting attended by shareholders representing more than one-half of the total shares

issued, and the resolution shall be approved by more than two-thirds of the attended shareholders.

- Article 7. The shares of the Company are registered and issued upon the signature or seal of the directors representing the Company, and after being attested by the competent authority or the designated issuing registration organization. The shares issued by the Company may be exempt from printing stock certificates; however, they must be registered with a centralized securities depository organization. The same applies when issuing other securities.
- Article 8. The registration of share transfers shall be suspended within 60 days prior to the annual shareholders' meeting, within 30 days prior to the special shareholders' meeting, or within five days prior to the record date for the distribution of dividends, bonuses, or other benefits as determined by the Company.
- Article 9. The handling of the Company's stock affairs shall be conducted in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority, unless otherwise stipulated by law.

Chapter 3. Shareholders' Meeting

- Article 10. The shareholders' meeting consists of two types: annual meetings and special meetings. Annual meetings are held once a year, convened by the Board of Directors within six months after the end of each fiscal year, in accordance with the law. Special meetings are convened as necessary, in accordance with legal requirements.
- The notice for the convening of the annual shareholders' meeting shall be sent to all shareholders at least 30 days in advance, while the notice for the special shareholders' meeting should be sent at least 15 days in advance, specifying the date, location, and purpose of the meeting. The notice of a shareholders' meeting may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.
- For shareholders holding fewer than 1,000 registered shares, the aforementioned notice of the meeting may be announced through public announcement.
- When the Company convenes a shareholders' meeting, it may do so via video conference or by other means announced by the central competent authority. The manner of execution and related matters shall be conducted in accordance with legal regulations.
- Article 11. In the event that a shareholder is unable to attend the shareholders' meeting, they may issue a proxy letter provided by the Company, specifying the scope of authorization, and sign or stamp it to authorize a proxy to attend on their behalf. This process shall be conducted in accordance with Article 177 of the Company Act, Article 25-1 of the Securities and Exchange Act, and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" as promulgated by the competent authority, along with related provisions.
- Article 12. Shareholders of the Company, except in cases specified in Article 179 of the Company Act, shall have one voting right per share.
- Article 13. Unless otherwise stipulated by relevant laws and regulations, the resolutions of the shareholders' meeting shall require the presence, either in person or by proxy, of shareholders representing more than half of the total issued shares, and the approval of more than half of the voting rights of the attending shareholders.

The Company shall designate electronic means as one of the channels for shareholders to exercise their voting rights. The method of exercising these rights shall be specified in the notice of the shareholders' meeting. Shareholders who exercise their voting rights electronically shall be regarded as being present in person, and all related matters shall be handled in accordance with laws and regulations.

- Article 13-1 If the Company wishes to revoke its public offering, it must obtain approval from the Board of Directors and subsequently secure the consent of the shareholders' meeting before proceeding with the relevant matters related to the revocation of the public offering. Furthermore, this provision shall remain unchanged during the period of being listed on the emerging stock market and the stock exchange.
- Article 14. A shareholders' meeting is convened by the Board of Directors, and the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if the Vice Chairman is also on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a convening authority other than the Board of Directors, the chair of the meeting shall be the convening authority, and if there are two or more persons who are convening authorities, they shall choose one person by and from among themselves to chair the meeting.
- Article 15. The resolutions of the shareholders' meeting shall be recorded in the minutes and handled in accordance with Article 183 of the Company Act.
The signature book of attending shareholders and the proxy attendance authorization documents shall be retained by the Company for a minimum of one year.

Chapter 4. Board of Directors and Audit Committee

- Article 16. The Company shall have a Board of Directors consisting of five to nine members, with a term of three years. The nomination system for candidates shall be adopted, and the shareholders' meeting shall elect from the list of candidates. Directors may be re-elected. The total shareholding ratio of all directors of the Company is in accordance with the regulations set forth by the securities regulatory authority. Among the aforementioned Board member positions, the number of independent directors shall not be less than three, and shall constitute no less than one-fifth of the total number of directors.
- The acceptance and announcement of the nomination of candidates for the Board of Directors shall be conducted in accordance with the relevant provisions of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected together, with the number of elected positions calculated separately.
- In accordance with the provisions of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies, the Company shall purchase liability insurance for directors during their term of office. The Board of Directors is authorized to handle all matters related to the insurance coverage.
- Article 16-1 In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee. The Audit Committee shall be composed entirely of independent directors and shall consist of no fewer than three

members, with at least one member possessing expertise in accounting or finance. The Audit Committee or its members are responsible for executing the powers of the supervisor as stipulated by the Company Act, the Securities and Exchange Act, and other relevant regulations. A resolution of the Audit Committee requires the approval of more than half of all members.

Article 17. When the number of vacant director positions reaches one-third, the Board of Directors shall convene a special shareholders' meeting within 60 days to conduct a by-election, with the term of office limited to the remainder of the original term. If an independent director is dismissed for any reason (including resignation, removal, etc.), resulting in a number of directors that falls below the minimum required by the articles of association, a by-election shall be held at the next shareholders' meeting. When independent directors are all dismissed, the Company shall convene a special shareholders' meeting to conduct a by-election within 60 days from the date the fact occurs.

Article 18. The Board of Directors is organized by the directors, with the election of the Chairman being conducted through mutual nomination by the attendance of more than two-thirds of the directors and the approval of a majority of the attending directors. Similarly, a Vice Chairman may be mutually nominated in the same manner. The Chairman serves as the Chairman of the shareholders' meeting and the Board of Directors internally, and represents the Company externally. In the event that the Chairman is on leave or unable to exercise their authority for any reason, a proxy shall be appointed in accordance with Article 208 of the Company Act.

Article 18-1 The Board of Directors of the Company may establish various functional committees and may appoint external experts and scholars to serve as members of these committees. The regulations governing the exercise of authority by the functional committees shall be established by the Board of Directors.

Article 19. If a director of the Company concurrently holds other positions within the Company, the remuneration for such positions shall be administered in accordance with the Company's internal management regulations. The compensation for directors shall be determined based on their level of participation in the operations of the Company and the value of their contributions, while also taking into account industry standards both domestically and internationally, as authorized by the Board of Directors.

Article 19-1 The reasons for calling a Board of Directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The Board of Directors meeting may be convened in writing, via e-mail, or by fax. Directors shall attend Board meetings in person. If a director is unable to attend for any reason, they may delegate another director to act as an proxy in accordance with Article 205 of the Company Act. The aforementioned proxy is limited to being entrusted by only one individual. If the Board of Directors conducts a meeting via video conference, the directors participating in the video conference shall be considered as being present in person.

Article 20. Except as otherwise stated in the Company Act or in the Securities and Exchange Act or any other relevant laws and regulations, a resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

Chapter 5. Manager

- Article 21. The Company may appoint managers, and their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6. Accounting

- Article 22. The Company's fiscal year starts from January 1 and ends on December 31. At the end of each fiscal year, the Board of Directors shall prepare and submit the following documents to the annual shareholders' meeting for approval: (1) business report, (2) financial statements, and (3) proposals for earnings distribution or loss appropriation.
- Article 23. If the Company generates profits in a fiscal year (where profits refer to pre-tax earnings after deducting employee compensation and director remuneration), it shall allocate no less than 5% for employee compensation and no more than 2% for director remuneration. However, when the Company still has accumulated losses, it should retain a provision for the amount to be compensated. The compensation for the aforementioned employees may be provided in the form of stock or cash, and the recipients include employees of controlled or subordinate companies who meet the criteria established by the Board of Directors. The aforementioned remuneration for directors shall be paid in cash only. The first two items should be resolved by the Board of Directors and reported to the shareholders' meeting.
- Article 24. If the Company's annual financial statements show a net profit after tax for the current period, it should first offset any accumulated losses and allocate 10% as legal reserve in accordance with the law; however, this requirement does not apply if the legal reserve has already reached the total amount of the Company's paid-in capital. The special reserve shall be allocated or reversed in accordance with the provisions of laws or regulations set forth by the competent authority. Subsequent to the remaining earnings, along with the undistributed earnings from the same period, the Board of Directors shall draft a proposal for the distribution of surplus, which will be submitted to the shareholders' meeting for resolution regarding the distribution of dividends to shareholders. The distribution of the aforementioned surplus, statutory surplus reserves, and capital reserves in cash shall be authorized by a resolution passed by the attendance of more than two-thirds of the Board of Directors meeting and a majority of the attending directors, and shall be reported to the shareholders' meeting. The Company's dividend policy is aligned with current and future development plans, taking into account the investment environment, capital requirements, and international competitive conditions, while also considering the interests of shareholders. Each year, at least 10% of the accumulated distributable earnings for that year shall be allocated; however, if the accumulated distributable earnings for that year are less than 10% of the Company's paid-in capital, the distribution of dividends to shareholders may be omitted. When distributing dividends to shareholders, it may be done in cash or stock, with cash dividends not being less than 10% of the total dividends.

Chapter 7. Supplementary Provisions

- Article 25. Matters not stipulated in the Charter shall be handled in accordance with the Company Act and other relevant legal provisions.

- Article 26. The organizational regulations and operational procedures of the Company shall be established by the Board of Directors.
- Article 27. The Charter shall take effect upon approval by the competent authority after its establishment or amendment.
- Article 28. The Charter was established on September 15, 2003.
The 1st amendment was made on September 26, 2003.
The 2nd amendment was made on March 1, 2004.
The 3rd amendment was made on October 29, 2004.
The 4th amendment was made on May 27, 2005.
The 5th amendment was made on June 19, 2008.
The 6th amendment was made on June 29, 2009.
The 7th amendment was made on June 29, 2010.
The 8th amendment was made on June 29, 2012.
The 9th amendment was made on June 28, 2013.
The 10th amendment was made on June 18, 2015.
The 11th amendment was made on June 21, 2016.
The 12th amendment was made on August 18, 2016.
The 13th amendment was made on October 28, 2021.
The 14th amendment was made on June 21, 2022.
The 15th amendment was made on June 12, 2023.
The 16th amendment was made on June 21, 2024.

Advanced Echem Materials Company Ltd.

Procedures for the Acquisition or Disposal of Assets

Chapter 1. General Principles

- I. Purpose and legal basis:
The Company shall acquire or dispose of assets in accordance with the provisions of these Handling Procedures. However, where other laws and regulations provide otherwise, those provisions shall prevail.
These Handling Procedures are formulated in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
- II. Scope of assets and definitions of terms in these Procedures:
 - (I) Scope of assets:
 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
 3. Memberships.
 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 5. Right-of-use assets.
 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 7. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contract” does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sale) contracts.
 8. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.
 9. Other major assets.
 - (II) Terms used in these Procedures are defined as follows:
 1. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
 2. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
 3. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
 4. Mainland China area investment: Refers to investments in the mainland China area approved by the Investment Commission, Ministry of

Economic Affairs or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

5. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
6. Over-the-counter venue (“OTC venue”, “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
7. The ten percent of total assets requirement in these Procedures is based on the amount of total assets in the most recent parent company only or individual financial statements required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

III. Assessment procedure:

- (I) The Company shall conduct relevant benefit analyses and assess potential risks associated with the acquisition or disposal of securities investments or the trading of derivative products through the Finance Department. For the acquisition or disposal of real estate and other assets, the relevant responsible units shall prepare a capital expenditure plan in advance and conduct feasibility assessments regarding the purpose of acquisition or disposal and the anticipated benefits. In the case of transactions involving related parties, the reasonableness of the transaction conditions and other matters shall be evaluated in accordance with the provisions of Chapter 2 of these Procedures.
- (II) In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company’s paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 3. Where any one of the following circumstances applies with respect to the professional appraiser’s appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
 4. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same

- period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.
- (III) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
- (IV) The transaction amounts from (II) to (III) of this article shall be calculated in the following manner; items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount:
1. The amount of any individual transaction.
 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
 5. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction.
- (V) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- (VI) The methods and criteria for determining the prices for acquiring or disposing of assets by the Company, in addition to considering the opinions of relevant experts such as professional appraisers and CPAs as previously mentioned, shall be handled according to the following circumstances:
1. Acquisition or disposal of securities traded on centralized exchanges or over-the-counter markets shall be determined based on the prevailing prices of stocks or bonds at that time.
 2. When acquiring or disposing of securities that are not traded on centralized exchanges or over-the-counter markets, consideration shall be given to factors such as net value per share, technology and profitability, future development potential, market interest rates, bond coupon rates, and the creditworthiness of the debtor. Additionally, the most recent transaction prices at that time shall be referenced.
 3. When acquiring or disposing of memberships, consideration shall be given to the potential benefits generated, and the most recent transaction prices shall be referenced. When acquiring or disposing of intangible assets such as patents, copyrights, trademarks, franchise rights, as well as their right-of-use assets, international or market practices, usable lifespan, and the impact on the Company's technology and business should be taken into account.
 4. When acquiring or disposing of real estate, other fixed assets, and their

right-of-use assets, consideration shall be given to the announced current value, assessed current value, actual transaction prices or book value of nearby real estate, as well as supplier quotations. If the Company intends to acquire real estate and its right-of-use assets from related parties, the transaction price must be assessed for reasonableness pursuant to the methods stipulated in Chapter 2 of these Procedures.

5. Engaging in trading of derivatives shall take into account the trading conditions of the futures market, as well as trends in exchange rates and interest rates.
6. When conducting mergers, demergers, acquisitions, or share transfers, consideration shall be given to the nature of the business, net value per share, asset value, technology and profitability, production capacity, and future growth potential.

IV. Operating procedures:

(I) Authorization limits and levels

1. Securities: Transactions involving the acquisition and disposal of securities, where the transaction amount does not exceed 20 percent of the net value on a single basis, shall be processed after approval from the Chairman. For amounts equal to, or exceeding, 20 percent of the net value, approval from the Board of Directors is required before proceeding. When acquiring or disposing of assets, the Company shall comply with the provisions of the Company Act or other laws and regulations that require a resolution of the shareholders' meeting, recognition or report to the shareholders' meeting, and approval by the competent authorities or subsequent filing.
2. Derivatives trading
 - (1) Hedging transactions: Based on the Company's revenue and changes in risk positions, personnel designated by the Chairman shall conduct transactions not exceeding US\$500,000 (including equivalent currencies) per transaction. Transactions exceeding US\$500,000 must be submitted for approval by the Chairman before proceeding.
 - (2) Non-hedging transactions: In order to minimize the risk, the Chairman must approve any single transaction or cumulative transaction of less than US\$200,000 (including the equivalent currency), and the Board of Directors must approve any transaction of more than US\$200,000 before proceeding.
 - (3) To ensure that the Company's authorization aligns with the corresponding supervisory management of the bank, the authorized trading personnel must inform the bank.
 - (4) The derivative transactions authorized as described in (1) to (3) above shall be reported to the Board of Directors afterwards.
3. Related party transactions: They shall be conducted in accordance with the provisions outlined in Chapter 2 of these Procedures.
4. Mergers, demergers, acquisitions, or share transfers: They shall be conducted in accordance with the provisions outlined in Chapter 4 of these Procedures.
5. Intangible assets, real estate, equipment and their right-of-use assets, as well as other assets: They shall be handled in accordance with the operational procedures stipulated by the internal control system and the authority level of approval. For transactions that meet the disclosure standards set forth in Article 5, prior resolution and approval from the Board of Directors is required. If the circumstances specified in Article 185 of the Company Act arise, a resolution must be passed by the shareholders' meeting.

(II) Executing units and transaction processes

The executing units for the Company's investments in securities and transactions involving derivative products are the Finance Department and

personnel designated by the Chairman. The executing units for intangible assets, real estate, equipment, and their right-of-use assets, as well as other assets, are the utilizing departments and relevant responsible units. Mergers, demergers, acquisitions, or share transfers are executed by units designated by the Chairman. After obtaining approval for the assessment and acquisition of assets in accordance with regulations, the executing unit shall carry out the transaction processes, including contracting, payment collection and disbursement, delivery, and acceptance. These processes shall be conducted in accordance with the relevant operational procedures of the internal control system, depending on the nature of the assets. Additionally, when the Company engages in any related party transaction, engages in derivatives trading, or conducts a merger, demerger, acquisition, or transfer of shares of enterprises shall also adopt related procedures in accordance with the provisions of Chapters 2 to 4 of these Procedures.

V. Procedures of announcement and declaration:

- (I) Under any of the following circumstances, the Company, when acquiring or disposing of assets, shall publicly announce and report the relevant information on the competent authority's designated website in the appropriate format and content in accordance of its nature, within two days counting inclusively from the date of occurrence of the event:
 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 2. Merger, demerger, acquisition, or transfer of shares.
 3. Losses from derivatives trading reaching the limits stipulated in Chapter 3, Article 13 (4) on aggregate losses or losses on individual contracts.
 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (1) When the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (2) When the Company's paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
 5. The Company plans to acquire real estate through self-commissioned construction, leased land construction, joint construction with separate units, joint construction with division of property, and joint construction with separate sales methods. Furthermore, the transaction counterparties are not related parties, and the anticipated investment amount will exceed NT\$500 million by the Company.
 6. Where an asset transaction other than any of those referred to in the preceding subparagraphs 1 to 5, a disposal of receivables by a financial institution, or an investment in the mainland China reaches 20 percent or more of paid-in capital or NT\$300 million. The transaction amount mentioned above is calculated in accordance with the provisions of Article 3 (4), and the portion that has already been announced in accordance with these Procedures need not be included again. However, the aforementioned rule shall not apply to the following circumstances:
 - (1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - (2) Trading of bonds under repurchase and resale agreements, or

subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- (II) The Company shall, on a monthly basis, input the status of derivative transactions conducted by the Company and its subsidiaries that are not publicly listed in the domestic market, as of the end of the previous month, into the information reporting website designated by the competent authority, in the prescribed format, by the 10th day of each month.
- (III) If there are errors or omissions in the items to be announced at the time of the announcement that require correction, all items must be re-announced and reported within two days from the date of such awareness.
- (IV) For transactions that have been announced and reported in compliance with (1), if under any of the following circumstances, the Company shall publicly announce and report the relevant information on the competent authority's designated website in the appropriate format and content in accordance of its nature, within two days counting inclusively from the date of occurrence of the event:
 - 1. The relevant contracts related to the original transaction have undergone changes, been terminated, or been rescinded.
 - 2. The merger, demerger, acquisition or transfer of shares was not completed in accordance with the scheduled timeframe of the agreement.
 - 3. The content of the original announcement has been modified.
- (V) The subsidiary of the Company is not a publicly listed company in the domestic market. In cases where the acquisition or disposal of assets falls under the disclosure requirements specified in (1) of this article, the Company shall make the necessary announcements. The reporting standards for public announcement and declaration regarding the paid-in capital or total assets shall be based on the paid-in capital or total assets of the Company.

VI. Scope and amount of investment:

The Company and its subsidiaries, in addition to acquiring real estate and right-of-use assets for business operations, are also permitted to invest in the purchase of real estate and right-of-use assets not intended for business operations, as well as securities. The limitations on these investments are as follows. When calculating the amount stipulated in subparagraphs (4) and (5), those investments which participate in the investment of establishment or serve as directors or members of the Audit Committee, and intend to hold these items long-term, may be excluded from the calculation.

- (I) The total amount of real estate and its right-of-use assets not intended for business operations shall not exceed 20 percent of the net value as reported in the most recent financial statements of the Company; for subsidiaries, it shall not exceed 10 percent of the net value as reported in their most recent financial statements.
- (II) The total amount of securities shall not exceed 20 percent of the net value as reported in the most recent financial statements of the Company; for subsidiaries, it shall not exceed 10 percent of the net value as reported in their most recent financial statements.
- (III) The total amount of investing individual securities shall not exceed 20 percent of the net value as reported in the most recent financial statements of the Company; for subsidiaries, it shall not exceed 10 percent of the net value as reported in their most recent financial statements.
- (IV) The Company and its subsidiaries shall not invest in any individual publicly listed or over-the-counter company in an amount exceeding one percent of the net asset value as reported in their most recent financial statements.
- (V) The Company and its subsidiaries shall not invest in any individual publicly listed or over-the-counter company in an amount exceeding five percent of the total issued shares of the said individual publicly listed or over-the-counter company.

VII. Control over the acquisition or disposal of assets by subsidiaries:

The Company shall urge its subsidiaries to establish handling procedures for the

acquisition or disposal of assets in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.

If the subsidiaries of the Company engage in the acquisition or disposal of assets, they shall provide relevant information to the Company for record-keeping.

VIII. Penalties:

When personnel responsible for the acquisition or disposal of assets violate these Procedures, the responsible supervisor shall issue disciplinary orders based on the severity of the violation, and the record of the violation shall be used as a reference for the annual individual performance evaluation. If the Board of Directors or individual directors violate relevant regulations and resolutions of the shareholders’ meeting while executing business, the Audit Committee shall notify the Board of Directors or the individual directors to cease such actions in accordance with the provisions of Article 218-2 of the Company Act.

Chapter 2. Related Party Transactions

IX. Basis for determination:

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised pursuant to Chapter 1 and this chapter, if the transaction amount reaches 10 percent or more of the Company’s total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA’s opinion in compliance with the provisions of the preceding chapter. In addition to legal formalities, the substance of the relationship shall also be considered.

X. Procedures of resolution:

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company’s total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to and approved by the Audit Committee and approved by the Board of Directors:

- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (II) The reason for choosing the related party as a transaction counterparty.
- (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 11 and Article 12.
- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty’s relationship to the Company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (VI) An appraisal report from a professional appraiser or a CPA’s opinion obtained in compliance with the preceding article.
- (VII) Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company’s Board of Directors may delegate the Chairman to decide such matters within the scope of the authority of approval and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

- (I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- (II) Acquisition or disposal of real property right-of-use assets held for business use.

If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its subsidiaries or between its subsidiaries.

The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 3 (4) herein. Items that have been approved by the shareholders' meeting or Board of Directors and recognized by the Audit Committee need not be counted toward the transaction amount.

XI. Assessment of the reasonableness of transaction terms:

The Company acquires real estate or right-of-use assets from related parties, except in the following four circumstances, namely, when the related party obtains the real estate or right-of-use assets through inheritance or gift; when the related party enters into a contract to acquire the real estate or right-of-use assets more than five years prior to the date of this transaction agreement; when a co-construction contract is signed with the related party, or when the related party is commissioned to construct real estate through land commission or lease commission; or when the Company and its subsidiaries, or subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or total capital, acquire right-of-use real estate for business purposes, in all other cases, the reasonableness of the transaction costs shall be assessed according to the following methods, and the Company shall consult with CPAs for review and to express specific opinions.

- (I) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- (II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding subparagraphs (1) and (2).

XII. When the estimated transaction cost is lower than the transaction price, the following actions should be taken:

When the assessed transaction costs, as per the provisions of the preceding article, are lower than the transaction price, except in the following circumstances, and provided that objective evidence can be presented along with specific reasonable opinions from a professional real property appraiser and a CPA shall apply.

- (I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - 1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction

- profit” shall be deemed the average gross operating profit margin of the related party’s construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- (II) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 11 and the preceding two paragraphs are uniformly lower than the transaction price, the following steps shall be taken:

- (I) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the transaction price and the appraised cost of the right-of-use assets, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company’s equity stake in the other company. The Company, which has set aside a special reserve under the preceding rules, may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
- (II) The Audit Committee shall comply with Article 218 of the Company Act.
- (III) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders’ meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding paragraph if there is other evidence indicating that the acquisition was not an arms length transaction.

Chapter 3. Control and Management of Derivatives Transactions

XIII. 13. Principles and policies of transactions:

- (I) Type of transactions: The Company is authorized to engage in derivative products, including forward contracts, options, interest rate and currency swaps, futures, and composite contracts formed from the aforementioned products. If engaging in other commodity transactions, prior approval from the Board of Directors is required.
- (II) Operational or hedging strategies: The Company engages in derivative trading, which is categorized into transactions conducted for hedging

purposes and those conducted for non-hedging purposes (i.e., for the purpose of trading). Its strategies should primarily aim to mitigate operational risks. The selection of traded goods shall focus on avoiding risks associated with foreign exchange income, expenses, assets, or liabilities arising from the Company's business operations. In response to changes in the objective environment, it is permissible to select an appropriate time to engage in non-hedging transactions involving derivatives, with the aim of increasing the Company's non-operating income or reducing non-operating losses. Furthermore, the trading counterparties shall, to the extent possible, select financial institutions that have business dealings with the Company in order to mitigate credit risk. Before a transaction, it is essential to clearly define whether it is a hedging operation or an investment return-seeking financial operation, as this will serve as the basis for accounting entries.

(III) Transaction limit:

1. Hedging transactions: The hedging limit is based on the net foreign exchange position (including the projected future net position) after the consolidated assets and liabilities.
2. Non-hedging transactions: The monthly trading limit shall not exceed US\$200,000, and the total contract amount for the Company's net accumulated positions for the current year shall be limited to US\$200,000. Any amount exceeding the aforementioned limit must be approved by the Board of Directors before proceeding. Before executing each transaction, the trading personnel shall submit a foreign exchange trend analysis report. This report must include an analysis of the foreign exchange market trends and recommended operational methods. Transactions may only proceed after the report has been approved.

(IV) Limit amount of total and individual contract loss

1. Hedging transactions: Hedging transactions are conducted in response to the actual needs of the Company, and the associated risks have been assessed and controlled in advance. Therefore, there is no issue regarding a limit on potential losses.
2. Non-hedging transactions: After establishing a position, a stop-loss point shall be set to prevent excessive losses. The stop-loss point shall not exceed 5% of the transaction contract amount, and the total accumulated losses for the year must not exceed US\$10,000.

(V) Division of responsibilities

1. Traders: These are the personnel responsible for executing derivative transactions for the Company. Their selection is designated by the Chairman of the Board, and they shall subsequently report to the most recent Board of Directors meeting. Traders are responsible for formulating trading strategies within the scope of their authorization, executing trading orders, disclosing future trading risks, and providing real-time information to relevant departments for reference.
2. Financial unit: Responsible for the confirmation and settlement of transactions, recording them in accordance with relevant regulations, and maintaining transaction record data. The unit conducts regular fair market value assessments of its holdings and provides this information to the designated trading personnel. Additionally, it discloses relevant information regarding derivative products in the financial statements.

(VI) Guidelines for performance evaluation

1. Hedging transactions: The performance evaluation is based on the profit and loss generated between the Company's book exchange (interest) rate costs and the engagement in derivative financial transactions. Evaluations are conducted at least twice a month, and the performance results are presented for management's reference.
2. Specific purpose transactions: Performance evaluation is based on the actual gains and losses generated, with assessments conducted at least once a week, and the performance results are presented for management's reference.

- XIV. Risk management measures:
The Company engages in derivative product trading. The scope of risk management and the risk management measures to be implemented are as follows:
- (I) Consideration of credit risk: The selection of trading counterparties is based on the principle of engaging with financial institutions and futures brokers that have a good reputation in their dealings with the Company and can provide professional information.
 - (II) Consideration of market risk: The potential losses arising from future market price fluctuations of derivative products are uncertain. Therefore, after establishing a position, it is essential to strictly adhere to the setting of stop-loss points.
 - (III) Consideration for liquidity risk: To ensure the liquidity of traded products, trading institutions must possess adequate facilities, information, and trading capabilities, and must be able to conduct transactions in any market.
 - (IV) Consideration of operational risk: It is essential to strictly adhere to authorized limits and operational procedures in order to mitigate operational risks.
 - (V) Consideration of legal risk: Any contractual documents signed with financial institutions shall utilize internationally standardized documents whenever possible. For derivative transactions being conducted for the first time, these documents should be reviewed by specialized personnel from the foreign exchange, legal, or legal advisory departments before formal signing in order to mitigate legal risk.
 - (VI) Consideration of product risk: Internal traders must possess comprehensive and accurate professional knowledge regarding derivative products to avoid misuse that could lead to losses.
 - (VII) Consideration for cash settlement risk: Authorized traders must strictly adhere to the regulations within the authorized limits. Additionally, they shall regularly monitor the Company's cash flow to ensure that sufficient cash is available for settlement at the time of delivery.
 - (VIII) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
 - (IX) The personnel responsible for confirmation shall regularly reconcile accounts with corresponding banks or conduct confirmation letters, and continuously verify whether the total transaction amount exceeds the limits established by these Procedures.
 - (X) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in (8) and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
 - (XI) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors (excluding those from the executing units).
- XV. Internal audit system:
Internal auditors of the Company shall regularly assess the adequacy of internal controls related to derivative transactions. They are required to conduct monthly audits of the compliance of the trading department's operational procedures concerning derivative transactions and prepare audit reports. In the event of any significant violations, they must promptly report to the Chairman of the Board and the senior management personnel authorized by the Board of Directors, and provide written notification to all members of the Audit Committee.
The auditors of the Company shall include derivative product transactions in the audit plan and shall publicly announce the execution status of the annual audit plan for the previous year on the website designated by the competent authority by the end of February of the following year. Furthermore, any irregularities must be reported on the designated website by the competent authority no later than the end of May of the

following year.

- XVI. Periodical evaluation methods and handling of abnormal situations:
- (I) Periodical assessments of derivative transactions will be conducted on a monthly or weekly basis, summarizing the profit and loss for the month or week, as well as the open positions from non-hedging transactions. This information will be presented to the senior executives authorized by the Board of Directors and the Chairman for reference in evaluating management performance and measuring risk.
 - (II) Senior management personnel authorized by the Board of Directors of the Company shall continuously monitor and control the risks associated with derivative trading. The Board of Directors shall regularly assess whether the performance of derivative trading aligns with the established business strategy and whether the associated risks are within the Company's acceptable limits.
 - (III) Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:
 - 1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures.
 - 2. Supervise transactions and profit and loss situations. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; where the Company has independent directors, they shall be present at the meeting and express an opinion.
 - 3. The company shall report to the most recent meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.
 - (IV) The Company, which engages in derivative product trading, shall prepare a log book to detail the types and amounts of derivative product transactions, the date of approval by the Board of Directors, regular assessment reports on a monthly or weekly basis, and the evaluation matters conducted by the Board of Directors and senior management personnel authorized by the Board of Directors

Chapter 4. Merger, demerger, acquisition, or transfer of shares

- XVII. The Company shall engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other assets to shareholders prior to convening a Board of Directors meeting to resolve matters related to mergers, demergers, acquisitions, or share transfers. This opinion shall be submitted for discussion and approval by the Board of Directors. However, the Company may exempt itself from obtaining a fairness opinion issued by the aforementioned expert in the event of a merger involving subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or total capital, or in the case of a merger between subsidiaries that it directly or indirectly holds 100 percent of the issued shares or total capital.
- XVIII. When the Company undertakes a merger, demerger, or acquisition, it shall prepare a public document for shareholders that includes the important terms and related matters prior to the shareholders' meeting. This document shall be delivered to shareholders along with the expert opinions from the previous article and the notice of the shareholders' meeting, serving as a reference for their decision on whether to agree to the merger, demerger, or acquisition. However, this does not apply to matters related to mergers, demergers, or acquisitions that are exempt from the requirement to convene a shareholders' meeting as stipulated by other legal provisions. In the event that a company participating in a merger, demerger, or acquisition is unable to convene or reach a resolution at a shareholders' meeting, or if a proposal is rejected by the

shareholders' meeting, the Company shall promptly disclose the reasons for the occurrence, subsequent handling procedures, and the anticipated date for convening the shareholders' meeting.

- XIX. Unless otherwise stipulated by other laws or with prior consent from the competent authority due to special circumstances, when the Company participates in a merger, demerger, or acquisition, it shall convene a Board of Directors and a shareholders' meeting on the same day as the other participating companies to resolve matters related to the merger, demerger, or acquisition. In the case of share transfers, the Board of Directors shall also convene on the same day as the other participating companies. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for five years for reference:

- (I) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- (II) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
- (III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within two days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 2 and 3.

- XX. Share exchange ratio and acquisition price:
Companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the following circumstances:

- (I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
- (II) An action, such as a disposal of major assets, that affects the Company's financial operations.
- (III) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- (IV) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- (V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- (VI) Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed.

- XXI. Items to be stipulated in the contract:
The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

- (I) Handling of breach of contract.
- (II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
- (III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- (IV) The manner of handling changes in the number of participating entities or companies.
- (V) Preliminary progress schedule for plan execution, and anticipated completion date.
- (VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

XXII. The Company shall pay attention to the following matters during mergers, demergers, acquisitions, or share transfers:

- (I) Participants or individuals privy to mergers, demergers, acquisitions, or share transfers are required to provide a written confidentiality commitment. Prior to the public disclosure of information, they must not disclose the contents of the plan externally, nor may they buy or sell shares or other equity-related securities of the relevant companies, either personally or by using another person's name.
- (II) After the information regarding mergers, demergers, acquisitions, or share transfers has been made public, if there is a plan to engage in further mergers, demergers, acquisitions, or share transfers with other companies, a shareholders' meeting must be convened to re-decide the matter, unless the number of participating companies decreases and the shareholders' meeting has resolved and authorized the Board of Directors to change the authority. In such cases, the procedures or legal actions that have already been completed in the original proposal must be re-executed.
- (III) For companies participating in mergers, demergers, acquisitions, or share transfers that are not publicly traded, the Company shall enter into an agreement with them and handle the matter in accordance with the provisions of Article 19 and the preceding two subparagraphs of these Procedures.

Chapter 5. Other Important Matters to be Reported

XXIII. The Company shall maintain relevant contracts, meeting minutes, reference books, valuation reports, and opinions from accountants, lawyers, or securities underwriters regarding the acquisition or disposal of assets. Unless otherwise stipulated by other laws, these documents must be preserved for a minimum of five years.

XXIV. The valuation reports or opinions obtained by the Company from CPAs, lawyers, or securities underwriters must comply with the following regulations regarding the professional valuers and their personnel, CPAs, lawyers, or securities underwriters:

- (I) They have not been convicted of a fixed-term imprisonment of more than one year due to violations of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or any criminal conduct related to business operations. However, those who have completed their sentence, have had their probation period expire, or have received a pardon for more than three years are not subject to this limitation.
- (II) Parties involved in the transaction must not be related parties or have any substantial relationships.
- (III) The Company shall obtain valuation reports from at least two professional appraisers. Different professional appraisers or appraisers must not be related parties or have substantial relationships with each other.

When the aforementioned personnel issue an appraisal report or opinion letter, they shall act in accordance with the self-regulatory standards of their respective trade associations.

- XXV. The acquisition or disposal of assets by the Company, which requires approval from the Board of Directors in accordance with this procedure or other legal provisions, shall, in the event that a director expresses dissent and there is a record or written statement, have the dissenting information submitted to each member of the Audit Committee.
- When submitting asset acquisition or disposal transactions to the Board of Directors for discussion, the opinions of all independent directors shall be fully considered. If any independent director expresses dissenting or reserved opinions, these shall be clearly recorded in the minutes of the Board meeting.
- According to the provisions of paragraph 1, before submitting asset acquisition or disposal transactions for discussion by the Board of Directors, the approval of more than half of the members of the Audit Committee is required. If the approval of at least half of the members of the Audit Committee is not obtained, the transactions may be approved by at least two-thirds of the entire Board of Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.
- The terms “members of the Audit Committee” and “Board of Directors” in the preceding paragraph shall refer to those currently in office.
- XXVI. These Procedures must be approved by more than half of the members of the Audit Committee, and subsequently submitted to the Board of Directors for approval, followed by the approval of the shareholders’ meeting before implementation. The same procedure applies to any amendments. If the approval of at least half of the members of the Audit Committee is not obtained, the amendment may be approved by at least two-thirds of the entire Board of Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting. If any director expresses an objection that is recorded or presented in writing, such objection shall be submitted to each member of the Audit Committee.
- When submitting these Procedures to the Board of Directors for discussion, the opinions of all independent directors shall be fully considered. If any independent director expresses dissenting or reserved opinions, these shall be clearly recorded in the minutes of the Board meeting.
- All members of the Audit Committee and all directors referred to in paragraph 1 shall be subject to the provisions of paragraph 4 of the preceding Article *mutatis mutandis*.

Advanced Echem Materials Company Limited

Shareholdings of All Directors

Title	Name	Shareholdings (Shares)	Shareholding Percentage
Chairman	Fineace Asset management Co., Ltd. Legal representative: Wen-Hsiung Chan	3,371,304	3.64%
Director	Fineace Asset management Co., Ltd., Legal representative: Kuang-Lung Kuo	3,371,304	3.64%
Director	Hong-Jen Chuang	1,437,083	1.55%
Director	I-Kej Investment Co., Ltd. Legal representative: Hsin-Hsin Li	1,800,000	1.94%
Director	Chang Wah Electromaterials Inc. Legal representative: Chuen-Sing Hung	5,546,500	5.98%
Independent Director	Wen-Guu Huang	-	-
Independent Director	Cheng-Min Chung	-	-
Independent Director	Tammy Wang	-	-
Independent Director	Chi-Yang Chang	-	-

Note1: As of April 20, 2025, the record date for the suspension of share transfers prior to this shareholders' meeting, the total number of issued shares of the Company: 92,732,865 shares.

Note2: Minimum number of shares required to be held by all directors: 7,418,629 shares.