



CHINA CHEMICAL & PHARMACEUTICAL CO., LTD.

2022 Annual General Shareholders' Meeting Meeting Agenda (Translation)

Meeting method

Physical meetings

Time

9:00am on May 26 (Thursday), 2022

Location

4F, No. 2, Xuzhou Road, Taipei City (Room 401 of the International Convention Center,
National Taiwan University Hospital)

Note to Readers:

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 version shall prevail.

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Procedure for 2022 Shareholders' regular meeting of China Chemical & Pharmaceutical Co., Ltd.

Meeting method: Physical meetings

Meeting time: 9:00am on May 26 (Thursday), 2022

Venue: 4F, No. 2, Xuzhou Road, Taipei City (Room 401 of the International Convention Center, National Taiwan University Hospital)

- I. Report the number of shares represented by the attending shareholders
- II. Call the Meeting to Order
- III. Chairperson Remarks
- IV. Management Presentation (Company Reports)
 - (I) The Company's 2021 business report
 - (II) Audit Committee's Review Report of 2021 Financial Statements.
 - (III) To report 2021 directors' compensation and employees' profit sharing bonus.
 - (IV) Other report.
- V. Proposals:
 - (I) The business report and final account books in Year 2021.
 - (II) Issue of distribution of earning of Year 2021.
- VI. Discussions:
 - (I) A motion for partial amendment to the Company's "Procedures for the Acquisition or Disposal of Assets".
 - (II) A motion for partial amendment to the Company's "Articles of Incorporation".
 - (III) Intended Private Placement for Issuance of Common Stock Shares or Domestic Convertible Corporate Bonds (Including Secured or Unsecured Convertible Corporate Bonds)
- VII. Elections:

By-election for one independent director seat of the Company.
- VIII. Questions and Motions
- IX. Adjournment

Management Presentation (Company Reports)

1. Please refer to Appendix 1 for The Company's 2021 Business Report (pages 7~9 of this manual).
2. Please refer to Appendix 3 for Audit Committee's Review Report of 2021 Financial Statements (page 34 of this manual).
3. To report 2021 directors' compensation and employees' profit sharing bonus.

Descriptions: (1) As officially resolved in the Company's board of directors on March 8, 2022, in fiscal year 2021, the remuneration to employees amounted to NT\$55,000,000 and the remuneration to directors amounted to NT\$6,000,000, both of which shall be paid in cash.

(2) The aforementioned decision proves free of any difference from the amounts recognized in 2021.

IV. Other report.

Descriptions: (1) According to Article 172-1 of the Company Act, the shareholders' proposals will be accepted from March 21, 2022 up to 9:00 a.m. on March 31, 2022.

(2) There was not any single shareholder posing a proposal in the present shareholders' regular meeting.

Proposals

No. 1: (Proposed by the Board)

Proposal: Please confirm the 2021 Business Report and Financial Statements.

Descriptions: (1) The Company's Business Report and Financial Statement as well as Consolidated Financial Statement of 2021 were duly passed with the decision resolved in the board of directors on March 8, 2022 and were completed in the review process by the Audit Committee. The Review Report of the Audit Committee has been duly issued.

(2) For the Business Report, certified public accountant audited Financial Statement, Financial Statement and Consolidated Financial Statement for 2021, please refer to Appendix 1, 2 annexed to this Handbook (pp. 7-33).

(3) The agenda has been proposed.

Resolutions:

No. 2: (Proposed by the Board)

Proposal: Please confirm the 2021 annual earnings distribution.

Descriptions: (1) The 2021 distribution of the Company's earnings is specified in the earnings distribution table, please refer to Appendix 4 (page 35).

(2) It is proposed that the Company should distribute cash dividend at NT\$0.9 per share. After the present proposal is passed in the shareholders' regular meeting, the board of directors is authorized to fix the ex-dividend base day to distribute such cash dividend.

(3) To meet an event where the Company gets its share capital changed hereafter (treasury shares, convertible corporate bonds, employee stock option certificates and the like), leading to an increase in outstanding shares and, in turn, a change in the shareholder dividend rate, it is proposed that the shareholders' meeting authorize the board of directors for an adjustment as appropriate.

Resolutions:

Discussions

No. 1: (Proposed by the Board)

Proposal: Partial amendments to the “Procedures for Asset Acquisition or Disposition”. Please proceed to discuss.

Descriptions: To meet the operational demand and in accordance with the FSC Issuance No. 1110380465 letter dated January 28, 2022 from the Financial Supervisory Commission where some articles of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” were revised, revisions to related articles of the Company’s Procedures for the Acquisition or Disposal of Assets are intended. For the Comparison Table of Revisions Made to the Regulations Governing the Acquisition and Disposal of Assets, refer to Appendix 5 (Pages 36 to 41).

Resolutions:

No. 2: (Proposed by the Board)

Proposal: Partial amendment to the Company's “Articles of Incorporation”. Please proceed to discuss.

Descriptions: In response to the change requirements of government agencies to amend the business items and to allow the method of convening shareholders' meetings more flexible, the Company's Articles of Association are proposed to be revised. Please refer to Appendix 6 (pages 42 to 43) for the proposed amendments to the Articles of Association.

Resolutions:

No. 3: (Proposed by the Board)

Proposal: Intended Private Placement for Issuance of Common Stock Shares or Domestic Convertible Corporate Bonds (Including Secured or Unsecured Convertible Corporate Bonds).

Descriptions: (1) To enrich the operating capital, pay off debts borne by the Company, or for other demands for funds to support future developments of the Company, the Company intends to introduce strategic funds raised by investors through private placement reflective of the market situation and the needs of the Company for issuance either common stock shares or domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds) or common stock shares in combination with domestic convertible corporate bonds separately or concurrently. The actual number of shares to be issued or convertible is to be decided by the Board of Directors as authorized through the shareholders’ meeting depending on the situation on the capital market and may not exceed 20% (that is, 59,616,216 shares) of the total number of outstanding shares.

(2) Major details of the current plan to issue common stock shares or domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds) through private placement include the actual issue price, number of shares, issuance criteria, value of private placement, capital increase base date, action items, expected progress, and expected possible benefits, among others, as well as all the other matters and mechanisms concerning the issuance plan are intended to be placed at the discretion of the Board of Directors as authorized through the shareholders’ meeting, too. The Board of Directors may adjust, define, and manage them reflective of the situation on the market and may also revise or change them as instructed by the competent authority or based on the operational evaluation or in response to the objective environment as needed.

(3) For related ways of issuance and information on the details, refer to Appendix 7 (Pages 44 to 46).

Resolutions:

Elections

Proposal: By-election for one independent director seat of the Company. (Proposed by the Board)

- Descriptions:
- (1) Mr. Chou, Yen Peng, the former independent director of the Company, passed away on August 6, 2021. According to the law by-election of one independent director with a term of office from May 26, 2022 to May 20, 2024 shall be held.
 - (2) The independent directors shall be elected under the candidates nomination system. For the list of candidates, resumes, and number of shares held thereby, please refer to Appendix 8 annexed hereto (pp. 47).
 - (3) Please proceed with the election process

Voting Results:

Questions and Motions

Adjournment

Appendices

Appendix 1

Business Report

(I) 2021 Operating result of business plans

The revenue of the parent company was NTD3,407.46 million, which was approximately 11.66% lower than the 2020 revenue of NTD3,857.24 million. The Company's consolidated revenue for the 2021 was NT\$7,948.99 million, which is a decrease of 2.84% from NT\$8,181.05 million, in 2020. The consolidated net profit after tax for the current period is NT\$516.35 million, which is a decrease of 7.71% from the NT\$559.5 million in 2020.

(II) Comparison of the financial revenues and expenditures

(1) Comparison of the 2021 and 2020 financial revenues and expenditures (Parent company only)

Unit: NTD thousand; %

Item	2021	2020	Increase (decrease)	Increase (decrease) %
Operating revenue - net	3,407,463	3,857,241	-449,778	-11.66
Net gross margin	869,077	993,199	-124,122	-12.50
Gross profit rate %	25.51%	25.75%	-0.24	-
Operating expenses	593,845	598,431	-4,586	-0.77
Operating profit	275,232	394,768	-119,536	-30.28
Non-operating income and expense	355,801	243,420	112,381	46.17
Net profit before tax	631,033	638,188	-7,155	-1.12
After tax net profit	517,508	557,365	-39,857	-7.15

(2) Comparison of the 2021 and 2020 consolidated financial revenues and expenditures

Unit: NTD thousand; %

Item	2021	2020	Increase (decrease)	Increase (decrease) %
Operating revenue - net	7,948,998	8,181,056	-232,058	-2.84
Net gross margin	2,864,792	2,968,803	-104,011	-3.50
Gross profit rate %	36.04%	36.29%	-0.25	-
Operating expenses	2,440,903	2,547,571	-106,668	-4.19
Operating profit	423,889	421,232	2,657	0.63
Non-operating income and expense	235,351	236,408	-1,057	-0.45
Net profit before tax	659,240	657,640	1,600	0.24
After tax net profit	516,355	559,500	-43,145	-7.71

(III) Budget execution: The Company did not present any financial forecast to the public, and this part is not applicable.

(IV) Analysis of Consolidated and Individual Financial Income/Expense and Profitability for 2021:

1. Financial income and expense:

(1) Financial revenue and expenditure (Parent company only) Unit: NTD thousand

Item	Amount
Operating revenue	3,407,463
Gross profit	869,077
Operating profit	275,232
Interest revenue	4,168
Interest expenses	30,779
Net profit before tax	631,033
After tax net profit	517,508
Earnings per share	1.74
Diluted earnings per share	1.72

(2) Financial revenue and expenditure (Consolidated)

Item	Amount
Operating revenue	7,948,998
Gross profit	2,864,792
Operating profit	423,889
Interest revenue	23,336
Interest expenses	35,760
Net profit before tax	659,240
After tax net profit	516,355
Earnings per share	1.74
Diluted earnings per share	1.72

2. Profitability analysis:

(1) Profitability analysis (Parent company only)

Unit: %

Item	Proportion
ROA	4.98
ROE	7.21
Operating profit based on the percentage of paid-in capital ratio	9.23
Net income before tax based on the percentage of paid-in capital ratio	21.17
Net profit rate	15.19
Earnings per share	1.74
Diluted earnings per share	1.72

(2) Profitability analysis (Consolidated)

Unit: %

Item	Proportion
ROA	4.33
ROE	7.16
Operating profit based on the percentage of paid-in capital ratio	14.22
Net income before tax based on the percentage of paid-in capital ratio	22.12
Net profit rate	6.50
Earnings per share	1.74
Diluted earnings per share	1.72

- (V) Research and development status in 2021:
1. The results of the research and development completed in 2021 are as follows
 - (1) New product registration and listing applications
4 human drug applications and 2 animal drug applications
 - (2) New product license certification
10 permits were obtained for medicines for humans.
 2. Integrated key technology platforms (nano-nization and soft mist inhalation technology) into new dosage forms and drugs to develop a total of 2 types of products.
 3. A total of 1 type of product for the treatment of respiratory virus infection was jointly developed for the API (CCSB) and preparation.
 4. Developing an integration platform for new product development
Collaborate on a new product development and integration platform with the operation (CYH Pharmaceutical Enterprise Division and BD), materials, and production departments to continuously introduce new products for the domestic market
 5. Joint force in new drug research and development
Established and integrated new special key technology platforms with partners in response to the development of new dosage forms and drugs.
- (6) The strategies of future development amidst the exterior environment of competition, statutory environments and environment of macroeconomy:
1. In response to adjustment of prices of the National Health Insurance oriented medicines and the policies with link up with patents, we shall accelerate independent research & development for the sales of sales performance and shall, meanwhile, with wholehearted efforts, strive for patents and distributorship for generic pharmaceuticals in the international markets. Meanwhile, we shall intensify our capability and scales in the platforms with omnifarious and comprehensive in-depth promotion toward hospitals, clinics and drug store channels.
 2. We shall associate ourselves with partners available in at home and abroad to accelerate promotion of pharmaceuticals oriented to rare diseases or orphan diseases, cancers, biological and such specialty drugs through efforts of development and introduction.
 3. Actively develop or introduce out-of-pocket health care products and increase revenues from the out-of-pocket market.
 4. In terms of overseas subsidiaries, the Company continues to expand the third terminal department and accelerate the introduction of new products. In response to the Company's consistency evaluation policy, the Company firmly dominates the primary control of the consistency evaluation operating progress. Its items have successfully passed the consistency evaluation and the Company would immediately expand and penetrate the market to gradually upgrade the Company's Public Affairs Department, firmly grasp government policies in real time and formulate corresponding countermeasures in response.

Appendix 2

Auditor's Report

(2022) Cai-Shen-Bao-Zi No. 21004033

To: China Chemical & Pharmaceutical Co., Ltd.:

Audit opinions

We have audited the accompanying individual balance sheet of China Chemical & Pharmaceutical Co., Ltd. and subsidiary as of December 31, 2021 and 2020, and the related consolidated statement of income, consolidated statement of changes in shareholders equity, consolidated statement of cash flows, and Note of the consolidated financial statements (including major accounting policy) for the years then ended.

In our opinion, based our audit results and other CPAs' audit results (please refer to the paragraph on other matters), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and their consolidated financial performance and their consolidated cash flows for the years ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of Taiwan, the Republic of China.

The basis for opinions

We conducted our audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of China Chemical & Pharmaceutical Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the financial statements of the Group and we have fulfilled our other ethical responsibilities in accordance with these requirements. On the basis of my audit findings and the audit reports compiled by other certified public accountants, we believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matter that, in our professional judgment, were of most significant in our audit of the consolidated statements of the Group in 2021. These matters were addressed in the content 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 those matters.

Key audit procedures of the consolidated financial statements of the Group in 2021 included:

Accounting estimation of allowance for account and note receivables

Description of the matter

Please refer to the footnotes related to account and note receivables in the consolidated financial statement: Note 4 (9) for the accounting policy, Note 5 (2) for accounting estimation and uncertainty assumption and Note 6 (3) for item explanation.

The Group assessed the impairment losses of account and note receivables by taking into consideration the overdue status and existing allowance made based on indicators of impairment from each case. The item is listed as a key audit matter because assessment involved subjective judgments from the management, and the receivables involved were significant.

Audit response

Our key audit procedures regarding the audit matters referred to above are as follows:

1. Evaluate the reasonableness and consistency of the allowance policies adopted on account and note receivables.
2. Perform tests on effectiveness of the internal control system relating to customer credit setting and approval
3. Perform tests on account receivable aging report to ensure the reasonableness of aging categorization and allowance estimation.
4. Evaluate the appropriateness of supporting evidence identified by management when judging impairment of account and note receivables of significance.
5. Collect information related to uncollected account and note receivables of significance after the current period and re-evaluate the adequacy

Evaluation on inventory

Description of the matter

For the accounting policy of the assessment of inventory write-downs, please refer to Note 4(13). For critical accounting judgments and key sources of estimation uncertainty please, refer to Note 5(2). For other relevant disclosures, please refer to Note 6(4).

CCPC is mainly engaged in the production and sale of pharmaceuticals and health products. Because the price of medicine is vulnerable to the price of health insurance products and the products are subject to expiration dates, the risk of losses from inventory impairment is high. Since the balance of inventories has a significant weight on the financial statements, the variety of inventories is vast, and the management needs to apply judgment to evaluate the impairment or obsolescence of the value, the valuation of inventories was deemed to be one of the key audit matters.

Audit response

Our key audit procedures regarding the audit matters referred to above are as follows:

1. Evaluating the accounting policy of allowances for losses of inventory impairment based on the understanding of the Company's operations and the nature of its industry.
2. To confirm if the price used for net realizable value corresponds to the company policy, and if the calculation of net realizable value for the individual inventory part number is correct with a sampling test.
3. Obtaining details of outdated inventories identified by the management, reviewing relevant information, and verifying the accounting records.

Other Matters - Refer to the audits performed by other CPAs.

The 2021 and 2020 financial statements of certain subsidiaries of CCPC were not audited by us, but by other CPAs. Therefore, in our opinion, the amounts referred to above regarding those companies and included in the consolidated financial statements and the relevant disclosures in Note 13 are based on the audit reports of other CPAs. The total assets of those subsidiaries were NTD255,493 thousand and NTD206,149 thousand as of December 31, 2021 and 2020, respectively, which accounted for 2% and 1.67% of the consolidated assets, respectively. The operating income was NTD124,038 thousand and NTD132,186 thousand for the year ending December 31, 2021 and 2020, respectively, which accounted for 1.56% and 1.62%, respectively, of the consolidated operating income. In addition, investments using the equity method by CCPC as of December 31, 2021 and 2020 and certain investment companies' information disclosed in Note 13 were evaluated and disclosed in the financial statements based on the audit performed by other CPAs appointed by the respective companies invested in. We did not audit those financial statements. The investments using the equity method were NTD421,645 thousand and NTD400,803 thousand as of December 31, 2021 and 2020, which accounted for 3.30% and 3.24% of the consolidated assets, respectively. The consolidated profits (including the share of affiliates and the profit or loss of joint ventures recognized by the equity method and the share of other comprehensive profit and loss) were NTD57,598 thousand and NTD56,463 thousand for the year ending December 31, 2021 and 2020, respectively, which accounted for 3.95% and 6.10%, respectively, of the combined profits.

Other matters – Individual Financial Report

SINOCHEM Group has drafted individual financial statements for 2021 and 2020, and the accountant made unmodified opinions on other matters - mentioned the audit report of other accountants is included, available for reference.

Responsibilities of Management and Those in Charge with Governance of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the Group.

Auditor's Responsibilities for the Audit of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance means a high degree of assurance. However, the audit conducted in accordance with generally accepted auditing standards of the R.O.C. does not guarantee having any material misstatement in the individual financial statements detected. Misstatements can arise from fraud or error. If fraud or errors are considered material, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

The independent auditor when conducting the audit in accordance with generally accepted auditing standards of the R.O.C. exercises professional judgment and maintains professional skepticism. We also perform the following works:

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

The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; also, is responsible for forming an opinion on the audit of the Group.

We communicate with those in charge of 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).

The independent auditor has provided the declaration of independence of the CPA Firm personnel subject to the Code of Ethics to the governing unit; also, it has communicated with

the governing unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the independent auditor.

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group of 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

PricewaterhouseCoopers, Taiwan

March 29, 2022

Note to Readers The accompanying consolidated financial statements are intended only to present the consolidated financial position, consolidated results of operations, and consolidated cash flows in accordance with accounting principles and practices generally accepted in Taiwan, the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in Taiwan, the Republic of China. For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in Taiwan, 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 auditors' report and consolidated financial statements shall prevail.

China Chemical & Pharmaceutical Co., Ltd. and subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: NTD thousand

Assets	Additional notes	December 31, 2021		December 31, 2020		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 849,035	7	\$ 1,034,239	8
1110	Financial assets at fair value through profit and loss- Current	6 (2)	89,149	1	-	-
1136	Financial assets measured at the amortized cost-current	8	-	-	400	-
1150	Notes receivable-net	6(3)	389,240	3	324,175	3
1160	Notes Receivable-Related Parties- net	7	97,942	1	114,913	1
1170	Notes accounts, net	6(3)	1,537,048	12	1,671,811	14
1180	Account receivables-Related Parties- net	7	28,342	-	55,237	-
1200	Other receivables	9	35,408	-	85,266	1
1210	Other receivables - related parties	7	227,900	2	188,447	2
1220	Current income tax asset		4,871	-	-	-
130X	Inventory	6 (4)	2,266,107	18	2,402,224	19
1476	Other financial assets- current	8	7,908	-	-	-
1479	Other current assets- Other		34,095	-	50,639	-
11XX	Total current assets		<u>5,567,045</u>	<u>44</u>	<u>5,927,351</u>	<u>48</u>
Non-Current assets						
1517	The financial assets measured for the fair values through other comprehensive income- non-current	6 (5) and 7	1,240,965	10	741,685	6
1550	Investment under the equity method	6 (6) and 7	1,313,133	10	963,485	8
1600	Property, plant, and equipment	6(7) and 8	4,136,266	32	4,254,179	34
1755	Right-of-use assets	6 (8)	88,930	1	95,647	1
1760	Net amount of investment oriented real estate	6 (7)	58,830	-	-	-
1780	Intangible assets		15,936	-	27,734	-
1840	Deferred income tax assets	6 (25)	196,683	2	211,744	2
1900	Other non-current assets	6(9) and 9	169,088	1	135,089	1
15XX	Total of Non-Current Assets		<u>7,219,831</u>	<u>56</u>	<u>6,429,563</u>	<u>52</u>
1XXX	Total assets		<u>\$ 12,786,876</u>	<u>100</u>	<u>\$ 12,356,914</u>	<u>100</u>

(Continued on next page)

China Chemical & Pharmaceutical Co., Ltd. and subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: NTD thousand

	Liabilities and equity	Additional notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
	Current liabilities					
2100	Shot-term borrowings	6(10) and 8	\$ 864,664	7	\$ 1,143,283	9
2110	Short-term notes payable	6 (11)	231,967	2	210,000	2
2130	Contractual liability- current	6 (19)	43,619	-	72,091	-
2150	Payable notes		41,812	-	-	-
2170	Accounts payable	7	757,318	6	960,728	8
2200	Other payables	6 (12)	660,941	5	717,857	6
2230	Current Tax Liability		76,046	1	74,225	1
2280	Lease liabilities - current		14,919	-	13,626	-
2320	Current portion of long-term liabilities	6(13) and 8	21,000	-	21,000	-
2365	Refund liability – liquidity	6 (19)	72,205	1	73,512	1
2399	Other current liabilities- other		22,972	-	26,306	-
21XX	Total current liabilities		<u>2,807,463</u>	<u>22</u>	<u>3,312,628</u>	<u>27</u>
	Non-current liabilities					
2540	Long-term borrowings	6(13) and 8	1,844,000	14	2,046,000	17
2570	Deferred tax liabilities	6 (25)	171,657	1	137,826	1
2580	Lease liabilities – non-current		57,652	1	64,775	-
2600	Other non-current liabilities	6 (14)	117,634	1	168,826	1
25XX	Total of non-current liabilities		<u>2,190,943</u>	<u>17</u>	<u>2,417,427</u>	<u>19</u>
2XXX	Total liabilities		<u>4,998,406</u>	<u>39</u>	<u>5,730,055</u>	<u>46</u>
	Equity of the parent company					
	Capital stock	6 (15)				
3110	Common stock capital		2,980,811	23	2,980,811	24
	Capital surplus	6 (16)				
3200	Capital surplus		646,593	6	646,000	6
	Retained earnings	6 (17)				
3310	Legal reserve		610,012	5	535,449	4
3320	Special reserve		188,958	1	188,958	2
3350	Undistributed earnings		2,818,381	22	2,042,582	17
	Other equity	6 (18)				
3400	Other equity		537,409	4	225,931	1
3500	Treasury stock	6 (15)	(28,054)	-	(28,054)	-
31XX	Equity attributable to owners of the parent Company		<u>7,754,110</u>	<u>61</u>	<u>6,591,677</u>	<u>54</u>
36XX	Non-controlling interest		<u>34,360</u>	<u>-</u>	<u>35,182</u>	<u>-</u>
3XXX	Total equity		<u>7,788,470</u>	<u>61</u>	<u>6,626,859</u>	<u>54</u>
	Significant contingent liabilities and unrecognized contractual commitments	6(7), 7 and 9				
	Significant subsequent events	6(17) and 11				
3X2X	Total Liabilities and Equity		<u>\$ 12,786,876</u>	<u>100</u>	<u>\$ 12,356,914</u>	<u>100</u>

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

China Chemical & Pharmaceutical Co., Ltd. and subsidiaries
Consolidated Income Statement
January 1 to December 31, 2021 and 2020

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2021		2020	
		Amount	%	Amount	%
4000 Operating revenue	6(19) and 7	\$ 7,948,998	100	\$ 8,181,056	100
5000 Operating cost	6 (4)(23)				
	And 7	(5,084,206)	(64)	(5,212,253)	(64)
5950 Operating gross profit		<u>2,864,792</u>	<u>36</u>	<u>2,968,803</u>	<u>36</u>
Operating expenses	6 (23)				
6100 Marketing expenses		(1,784,754)	(22)	(1,916,296)	(23)
6200 Administrative expenses		(277,342)	(4)	(218,188)	(3)
6300 Research and development expenses		(391,335)	(5)	(444,175)	(5)
6450 Expected credit impairment gain	12 (2)	<u>12,528</u>	<u>-</u>	<u>31,088</u>	<u>-</u>
6000 Total operating expenses		(<u>2,440,903</u>)	(<u>31</u>)	(<u>2,547,571</u>)	(<u>31</u>)
6900 Operating profit		<u>423,889</u>	<u>5</u>	<u>421,232</u>	<u>5</u>
Non-operating revenues and expenses					
7100 Interest revenue	6(20) and 7	23,336	-	22,421	-
7010 Other income	6(21) and 7	116,555	1	93,456	1
7020 Other profits and losses	6 (22)	(11,141)	-	8,571	-
7050 Financial costs	6 (24)	(35,760)	-	(42,825)	-
7060 Shareholding in the affiliated companies and joint ventures under the equity method	6 (6)	<u>142,361</u>	<u>2</u>	<u>154,785</u>	<u>2</u>
7000 Total non-operating revenues and expenses		<u>235,351</u>	<u>3</u>	<u>236,408</u>	<u>3</u>
7900 Net profit before taxation		659,240	8	657,640	8
7950 Income tax expenses	6 (25)	(<u>142,885</u>)	(<u>2</u>)	(<u>98,140</u>)	(<u>1</u>)
8200 Net income		<u>\$ 516,355</u>	<u>6</u>	<u>\$ 559,500</u>	<u>7</u>

(Continued on next page)

China Chemical & Pharmaceutical Co., Ltd. and subsidiaries
Consolidated Income Statement
January 1 to December 31, 2021 and 2020

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2021		2020		
		Amount	%	Amount	%	
Other comprehensive profit or loss (net)						
The items that are not re-classified as profit or loss						
8311	Reevaluation of determined benefit plan	6 (14)	\$ 31,844	-	(\$ 4,467)	-
8316	Unrealized valuation gains and losses on Investment of equity instruments at fair value through other comprehensive income	6 (5)(18)	924,485	12	358,614	4
8320	The proportion of other comprehensive incomes from associates, and equity joint-ventures accounted for under the equity method – not reclassified as profit and loss		939	-	(1,190)	-
8349	Incomes tax related to titles not subject to reclassification	6 (25)	(6,369)	-	893	-
8310	Total amount of items not reclassified to profit or income		950,899	12	353,850	4
Items that may be re-classified subsequently under profit or loss						
8361	Exchange differences from the translation of financial statements of foreign operations	6 (18)	(9,479)	-	14,786	-
8370	The proportion of other comprehensive incomes from associates, and equity joint-ventures accounted for under the equity method – may be reclassified as profit and loss.		(572)	-	566	-
8399	Income tax related to items possibly be reclassified	6 (25)	1,896	-	(2,957)	-
8360	Total amount of items probably reclassified to profit or loss subsequently		(8,155)	-	12,395	-
8300	Other comprehensive profit or loss (net)		\$ 942,744	12	\$ 366,245	4
8500	Current period other comprehensive income (Gross)		\$ 1,459,099	18	\$ 925,745	11
Net income (loss) attributable to:						
8610	Owners of parent		\$ 517,508	6	\$ 557,365	7
8620	Non-controlling interest		(1,153)	-	2,135	-
			\$ 516,355	6	\$ 559,500	7
Total comprehensive income attributable to:						
8710	Owners of parent		\$ 1,459,921	18	\$ 923,452	11
8720	Non-controlling interest		(822)	-	2,293	-
			\$ 1,459,099	18	\$ 925,745	11
Earnings per share						
9750	Basic earnings per share	6 (26)	\$ 1.74		\$ 1.88	
9850	Diluted earnings per share		\$ 1.72		\$ 1.86	

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

China Chemical & Pharmaceutical Co., Ltd. and subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

	Additional notes	Equity of the parent company											Non-controlling interest	Total equity
		Capital surplus				Retained earnings			Other equity					
		Common stock capital	Issuance premium	Treasury stock trade	Changes in the ownership equity on a subsidiary	Legal reserve	Special reserve	Undistributed earnings	Exchange differences from the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	Treasury stock	Total		
<u>2020</u>														
Balance at January 1		\$ 2,980,811	\$ 578,416	\$ 65,765	\$ 1,593	\$ 496,980	\$ 188,958	\$ 1,573,890	(\$ 97,944)	\$ 146,049	(\$ 28,054)	\$ 5,906,464	\$ 32,889	\$ 5,939,353
Net income		-	-	-	-	-	-	557,365	-	-	-	557,365	2,135	559,500
Current period other comprehensive income	6 (5)(18)	-	-	-	-	-	-	(4,922)	12,395	358,614	-	366,087	158	366,245
Current period other comprehensive income (Gross)		-	-	-	-	-	-	552,443	12,395	358,614	-	923,452	2,293	925,745
The 2019 appropriation and distribution of earnings	6 (17)													
Legal reserve		-	-	-	-	38,469	-	(38,469)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(238,465)	-	-	-	(238,465)	-	(238,465)
Cash dividends which Subsidiary obtained from the Parent company.		-	-	475	-	-	-	-	-	-	-	475	-	475
Changes in the ownership equity on a subsidiary		-	-	-	(249)	-	-	-	-	-	-	(249)	-	(249)
Equity instrument at fair value through other comprehensive income statement	6 (5)(18)	-	-	-	-	-	-	193,183	-	(193,183)	-	-	-	-
Balance at December 31		\$ 2,980,811	\$ 578,416	\$ 66,240	\$ 1,344	\$ 535,449	\$ 188,958	\$ 2,042,582	(\$ 85,549)	\$ 311,480	(\$ 28,054)	\$ 6,591,677	\$ 35,182	\$ 6,626,859
<u>2021</u>														
Balance at January 1		\$ 2,980,811	\$ 578,416	\$ 66,240	\$ 1,344	\$ 535,449	\$ 188,958	\$ 2,042,582	(\$ 85,549)	\$ 311,480	(\$ 28,054)	\$ 6,591,677	\$ 35,182	\$ 6,626,859
Net income		-	-	-	-	-	-	517,508	-	-	-	517,508	(1,153)	516,355
Current period other comprehensive income	6 (5)(18)	-	-	-	-	-	-	26,083	(8,155)	924,485	-	942,413	331	942,744
Current period other comprehensive income (Gross)		-	-	-	-	-	-	543,591	(8,155)	924,485	-	1,459,921	(822)	1,459,099
The 2020 appropriation and distribution of earnings	6 (17)													
Legal reserve		-	-	-	-	74,563	-	(74,563)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(298,081)	-	-	-	(298,081)	-	(298,081)
Cash dividends which Subsidiary obtained from the Parent company.		-	-	593	-	-	-	-	-	-	-	593	-	593
Equity instrument at fair value through other comprehensive income statement	6 (5)(18)(25)	-	-	-	-	-	-	604,852	-	(604,852)	-	-	-	-
Balance at December 31		\$ 2,980,811	\$ 578,416	\$ 66,833	\$ 1,344	\$ 610,012	\$ 188,958	\$ 2,818,381	(\$ 93,704)	\$ 631,113	(\$ 28,054)	\$ 7,754,110	\$ 34,360	\$ 7,788,470

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

China Chemical & Pharmaceutical Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flow
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

	<u>Additional notes</u>	<u>January 1 to December 31, 2021</u>	<u>January 1 to December 31, 2020</u>
<u>Cash flow from operating activities</u>			
Current year net profit before taxation		\$ 659,240	\$ 657,640
Adjustments			
Profits and loss			
Depreciation expenses	6(7)(8) (23)	265,246	252,232
Amortization expenses	6 (23)	12,220	12,945
Expected credit impairment gain	12 (2)	(12,528)	(31,088)
Allowance for sales and discount		(9,933)	29,512
Interest expenses	6 (24)	35,760	42,825
Interest revenue	6 (20)	(23,336)	(22,421)
Dividend income	6 (5)(21)	(5,291)	(8,160)
Gain (loss) on financial assets and liabilities at fair value through profit and loss	6 (22)	(2,244)	(113)
Shareholding in the affiliated companies and joint ventures under the equity method	6 (6)	(142,361)	(154,785)
Gain in disposal of real estate, plant buildings, equipment & facilities	6 (22)	(309)	(4,777)
Gain on disposal of investment accounted for using the equity method	6 (22)	-	(489)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Acquisition of financial assets at fair value through profit or loss		(86,905)	-
Disposal of financial assets at fair value through profit or loss		-	65,174
Bills receivable (including related party and non-related party)		(44,346)	33,911
Accounts receivable (including related party and non-related party)		175,055	(35,276)
Other account receivable- (including related party and non-related party)		72,395	45,159
Inventory		132,699	(214,484)
Other current assets- Other		16,544	(11,381)
Net changes in liabilities relating to operating activities			
Contractual liability- liquidity		(27,827)	12,344
Payable notes		41,812	(28,159)
Accounts payable		(199,400)	84,611
Other payables		(33,810)	159,783
Refund liability - liquidity		(1,307)	4,234
Other current liabilities- other		(3,979)	(912)
Other non-current liabilities		(55,625)	(17,424)
Cash inflow from operating activities		761,770	870,901
Interest received		23,336	22,421
Interest payment		(36,416)	(43,525)
Income tax payment		(130,468)	(65,301)
Dividends received		77,669	112,575
Net cash inflow from operating activities		<u>695,891</u>	<u>897,071</u>

(Continued on next page)

China Chemical & Pharmaceutical Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flow
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

	<u>Additional notes</u>	<u>January 1 to December 31, 2021</u>	<u>January 1 to December 31, 2020</u>
<u>Cash flow from investing activities</u>			
Decrease (increase) of the financing amount receivable		(\$ 46,000)	\$ 17,500
Decrease (increase) in financial assets based on cost after amortization		400	(400)
Decrease (increase) in restricted certificate of deposit (listed under other current financial assets)		(7,908)	5,718
Acquisition of financial assets at fair value through other comprehensive profit or loss	6 (5)	(477,158)	(248,964)
Value of disposal of financial assets measured at FVTOCI	6 (5)	924,534	323,188
De-capitalization refunded monies of financial assets at fair value through other comprehensive profit or loss (decrease)	6 (5)	9,000	-
Acquisition of investment under the equity method	6 (6)	(279,528)	-
Proceeds from disposal of investment accounted for using equity method	6 (6)	-	23,001
Purchase of property, plant, and equipment	6 (27)	(208,356)	(261,587)
Proceeds from disposal of property, plant and equipment		1,910	6,031
Purchase of intangible assets		-	(10,296)
Decrease (increase) in deposits paid		(28,618)	617
Increase of other non-current assets		(9,148)	(594)
Net cash outflow from investing activities		(120,872)	(145,786)
<u>Cash flow from financing activities</u>			
Decrease in Shot-term borrowings	6 (28)	(278,619)	(136,588)
Increase of short-term notes payable	6 (28)	21,967	142,520
Lease principal repayment	6 (28)	(15,010)	(11,577)
Current borrowing amount of long-term loan	6 (28)	450,000	208,000
Current repaying amount of long-term loan	6 (28)	(652,000)	(389,000)
Increase (decrease) in deposits received	6 (28)	2,448	(771)
Cash dividend released	6 (17)	(298,081)	(238,465)
Net cash outflow from financing activities		(769,295)	(425,881)
Impact of changes in exchange rate on cash and cash equivalents		9,072	4,995
Increase (decrease) in cash and cash equivalents for the current period		(185,204)	330,399
Balance of cash and cash equivalents, beginning of period		1,034,239	703,840
Balance of cash and cash equivalent, end of period		\$ 849,035	\$ 1,034,239

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

Auditor's Report

(2022) Cai-Shen-Bao-Zi No. 21003348

To: China Chemical & Pharmaceutical Co., Ltd.:

Audit opinions

We have audited the accompanying individual balance sheet of China Chemical & Pharmaceutical Co., Ltd. and subsidiary as of December 31, 2021 and 2020, and the related individual statement of income, individual statement of changes in shareholders equity, individual statement of cash flows, and Note of the individual financial statements (including major accounting policy) for the years then ended.

In my opinion, the financial statements as referred to, on the basis of my audit findings and the audit reports compiled by other certified public accountants, present fairly, in all material aspects, the individual financial position of China Chemical & Pharmaceutical Co., Ltd. as of December 31, 2021 and 2020, and the results of its operation and individual statement of cash flows for the year then ended in conformity to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

The basis for opinions

We conducted our audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the separate financial statements. We are independent of China Chemical & Pharmaceutical Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the financial statements of China Chemical & Pharmaceutical Co., Ltd., and we have fulfilled our other ethical responsibilities in accordance with these requirements. On the basis of my audit findings and the audit reports compiled by other certified public accountants, we believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matter that, in our professional judgment, were of most significant in our audit of the individual statements of China Chemical & Pharmaceutical Co., Ltd. in 2021. These matters were addressed in the content of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Key audit procedures of the individual financial statements of China Chemical & Pharmaceutical Co., Ltd. in 2021 included:

Accounting estimation of allowance for account and note receivables

Description of the matter

Please refer to the footnotes relating to account and note receivables in the stand-alone financial statement: Note 4(7) for the accounting policy, Note 5(2) for accounting estimation and uncertainty assumption, and Note 6(2) and Note 7(2) for item explanation.

The Company assessed the impairment losses of account and note receivables by taking

into consideration the overdue status and existing allowance made based on indicators of impairment from each case. The item is listed as a key audit matter because assessment involved subjective judgments from the management, and the receivables involved were significant.

Audit response

Key audit procedures carried out to the allowance estimation made by China Chemical and Pharmaceutical Co. and some subsidiary entities (using equity method) are as follows:

1. Evaluate the reasonableness and consistency of the allowance policies adopted on account and note receivables.
2. Perform tests on effectiveness of the internal control system relating to customer credit setting and approval
3. Perform tests on account receivable aging report to ensure the reasonableness of aging categorization and allowance estimation.
4. Evaluate the appropriateness of supporting evidence identified by management when judging impairment of account and note receivables of significance.
5. Collect information related to uncollected account and note receivables of significance after the current period and re-evaluate the adequacy

Evaluation on inventory

Description of the matter

For the accounting policy of the assessment of inventory write-downs, please refer to Note 4 (10). For critical accounting judgments and key sources of estimation uncertainty, please refer to Note 5(2). For other relevant disclosures, please refer to Note 6(3).

CCPC is mainly engaged in the production and sales of pharmaceuticals and health products. Because the price of medicine is vulnerable to the price of health insurance products and the products are subject to expiration dates, the risk of losses from inventory impairment is high. Since the balance of inventories has a significant weight on the financial statements, the variety of inventories is vast, and the management needs to apply judgment to evaluate the impairment or obsolescence of the value, the valuation of inventories was deemed to be one of the key audit matters.

Audit response

The matter includes CCPC and certain subsidiaries held by the Company (investments recorded using the equity method). The key auditing procedures we performed are as follows:

1. Evaluate the accounting policy of allowances for losses of investment impairment based on the understanding of the Company's operations and the nature of its industry.
2. To confirm if the price used for net realizable value is corresponding to the company policy, and if the calculation of net realizable value of for individual inventory part number is correct with sampling test.
3. Obtaining details of outdated inventories identified by the management, reviewing relevant information, and verifying the accounting records.

Other Matters - Refer to the audits performed by other CPAs.

The companies invested in recorded using the equity method which have been included in the individual financial statements of CCPC are not audited by us, but are audited by other CPAs. Therefore, in our opinion, the amounts referred to above regarding those companies included in the consolidated financial statements are based on the audit reports of other CPAs. The amounts of investments using the equity method for the aforementioned companies were NT\$506,127 thousand and NT\$476,072 thousand as of December 31, 2021 and 2020, respectively, which accounted for 4.53% and 4.50% of the total assets, respectively. The consolidated profit and loss recognized by the aforementioned companies were NT\$61,580 thousand and NT\$60,924 thousand for the year ending December 31, 2020 and 2019, respectively, which accounted for 4.22% and 6.60%, respectively, of the consolidated profit and loss.

Responsibilities of Management and Those in Charge with Governance of the Individual Financial Statements

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

In preparing the individual financial statements, the management is responsible for assessing the ability of China Chemical & Pharmaceutical Co., Ltd. as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate China Chemical & Pharmaceutical Co., Ltd. or to create operations, or has no realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of China Chemical & Pharmaceutical Co., Ltd..

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

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report. Reasonable assurance means a high degree of assurance. However, the audit conducted in accordance with generally accepted auditing standards of the R.O.C. does not guarantee having any material misstatement in the individual financial statements detected. Misstatements can arise from fraud or error. If fraud or errors are considered materials, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

The independent auditor when conducting the audit in accordance with generally accepted auditing standards of the R.O.C. exercises professional judgment and maintains professional skepticism. We also perform the following works:

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control effective in China Chemical & Pharmaceutical Co., Ltd..
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on China Chemical & Pharmaceutical Co., Ltd. and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosure are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause China Chemical & Pharmaceutical Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the individual statements, including related notes, whether the individual statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information or the entities or business activities with the Group to express an opinion on the individual financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; also, is responsible for forming an opinion on the audit of the Group.

We communicate with those in charge of 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).

The independent auditor has provided the declaration of independence of the CPA Firm personnel subject to the Code of Ethics to the governing unit; also, it has communicated with the governing unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the independent auditor.

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the individual financial statements of China Chemical & Pharmaceutical Co., Ltd. of 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

PricewaterhouseCoopers, Taiwan

March 29, 2022

Note to Readers The accompanying consolidated financial statements are intended only to present the consolidated financial position, consolidated results of operations, and consolidated cash flows in accordance with accounting principles and practices generally accepted in Taiwan, the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in Taiwan, the Republic of China. For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in Taiwan, 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 auditors' report and consolidated financial statements shall prevail.

China Chemical & Pharmaceutical Co., Ltd.
Individual Balance Sheet
December 31, 2021 and 2020

Unit: NTD thousand

Assets	Additional notes	December 31, 2021		December 31, 2020		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 110,272	1	\$ 98,272	1
1136	Financial assets measured at the amortized cost-current	8	-	-	400	-
1150	Notes receivable-net	6 (2)	64,980	1	43,337	1
1160	Notes Receivable-Related Parties- net	7	97,943	1	114,913	1
1170	Notes accounts, net	6 (2)	119,965	1	186,329	2
1180	Account receivables-Related Parties- net	7	1,490,583	13	1,619,908	15
1200	Other receivables		30,091	-	22,550	-
1210	Other receivables - related parties	7	185,187	2	191,812	2
130X	Inventory	6(3)	1,082,256	10	1,180,652	11
1470	Other current assets		11,936	-	17,618	-
11XX	Total current assets		<u>3,193,213</u>	<u>29</u>	<u>3,475,791</u>	<u>33</u>
Non-Current assets						
1517	The financial assets measured for the fair values through other comprehensive income- non-current	6 (4) and 7	1,197,138	11	725,277	7
1550	Investment under the equity method	6 (5) and 7	3,036,478	27	2,558,699	24
1600	Property, plant, and equipment	6(6), 7 and 8	3,568,949	32	3,600,695	34
1755	Right-of-use assets	6 (7)	32,300	-	32,809	-
1780	Intangible assets		13,632	-	19,917	-
1840	Deferred income tax assets	6 (22)	101,064	1	110,647	1
1900	Other non-current assets		38,953	-	45,681	1
15XX	Total of Non-Current Assets		<u>7,988,514</u>	<u>71</u>	<u>7,093,725</u>	<u>67</u>
1XXX	Total assets		<u>\$ 11,181,727</u>	<u>100</u>	<u>\$ 10,569,516</u>	<u>100</u>

(Continued on next page)

China Chemical & Pharmaceutical Co., Ltd.
Individual Balance Sheet
December 31, 2021 and 2020

Unit: NTD thousand

Liabilities and equity	Additional notes	December 31, 2021		December 31, 2020		
		Amount	%	Amount	%	
Current liabilities						
2100	Shot-term borrowings	6 (8)	\$ 740,664	7	\$ 987,283	9
2110	Short-term notes payable	6 (9)	100,000	1	150,000	2
2130	Contractual liability- current	6 (16)	11,479	-	1,529	-
2150	Payable notes		1,642	-	-	-
2170	Accounts payable		280,894	2	323,989	3
2180	Accounts payable - related parties	7	25,545	-	44,157	-
2200	Other payables		281,410	3	298,509	3
2230	Current Tax Liability		58,101	1	57,487	1
2280	Lease liabilities - current		5,867	-	4,164	-
2300	Other current liabilities		7,311	-	7,144	-
21XX	Total current liabilities		<u>1,512,913</u>	<u>14</u>	<u>1,874,262</u>	<u>18</u>
Non-current liabilities						
2540	Long-term borrowings	6 (10)	1,697,000	15	1,878,000	18
2570	Deferred tax liabilities	6 (22)	143,560	1	111,170	1
2580	Lease liabilities – non-current		26,930	-	28,963	-
2600	Other non-current liabilities	6 (11)	47,214	1	85,444	1
25XX	Total of non-current liabilities		<u>1,914,704</u>	<u>17</u>	<u>2,103,577</u>	<u>20</u>
2XXX	Total liabilities		<u>3,427,617</u>	<u>31</u>	<u>3,977,839</u>	<u>38</u>
Equity						
Capital stock						
3110	Common stock capital	6 (12)	2,980,811	27	2,980,811	28
Capital surplus						
3200	Capital surplus	6 (13)	646,593	5	646,000	6
Retained earnings						
3310	Legal reserve	6 (14)	610,012	5	535,449	5
3320	Special reserve		188,958	2	188,958	2
3350	Undistributed earnings		2,818,381	25	2,042,582	19
Other equity						
3400	Other equity	6 (15)	537,409	5	225,931	2
3500	Treasury stock	6 (12)	(28,054)	-	(28,054)	-
3XXX	Total equity		<u>7,754,110</u>	<u>69</u>	<u>6,591,677</u>	<u>62</u>
Significant contingent liabilities and unrecognized contractual commitments						
Significant subsequent events						
3X2X	Total Liabilities and Equity		<u>\$ 11,181,727</u>	<u>100</u>	<u>\$ 10,569,516</u>	<u>100</u>

Please refer to the notes enclosed in the individual financial reports that are an integral part of the individual financial statements.

China Chemical & Pharmaceutical Co., Ltd.
Individual Income Statement
January 1 to December 31, 2021 and 2020

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2021		2020	
		Amount	%	Amount	%
4000 Operating revenue	6(16) and 7	\$ 3,407,463	100	\$ 3,857,241	100
5000 Operating cost	6(3)(20) and 7	(2,536,902)	(75)	(2,825,279)	(73)
5900 Gross profit		870,561	25	1,031,962	27
5910 Unrealized sales gains		(133,771)	(4)	(132,287)	(3)
5920 Realized sales gains		132,287	4	93,524	2
5950 Operating gross profit		869,077	25	993,199	26
Operating expenses	6 (20)				
6100 Marketing expenses		(119,707)	(3)	(122,846)	(3)
6200 Administrative expenses		(187,546)	(5)	(150,393)	(4)
6300 Research and development expenses		(295,536)	(9)	(331,552)	(9)
6450 Expected credit impairment gain	12 (2)	8,944	-	6,360	-
6000 Total operating expenses		(593,845)	(17)	(598,431)	(16)
6900 Operating profit		275,232	8	394,768	10
Non-operating revenues and expenses					
7100 Interest revenue	6(17) and 7	4,168	-	5,334	-
7010 Other income	6(18) and 7	77,782	2	28,312	1
7020 Other profits and losses	6 (19)	(1,692)	-	12,515	-
7050 Financial costs	6 (21)	(30,779)	(1)	(37,273)	(1)
7070 Shareholdings in the subsidiaries, affiliated companies and joint ventures under the equity method	6 (5)	306,322	9	234,532	6
7000 Total non-operating revenues and expenses		355,801	10	243,420	6
7900 Net profit before taxation		631,033	18	638,188	16
7950 Income tax expenses	6 (22)	(113,525)	(3)	(80,823)	(2)
8200 Net income		\$ 517,508	15	\$ 557,365	14

(Continued on next page)

China Chemical & Pharmaceutical Co., Ltd.
Individual Income Statement
January 1 to December 31, 2021 and 2020

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2021		2020		
		Amount	%	Amount	%	
Other comprehensive profit or loss (net)						
The items that are not re-classified as profit or loss						
8311	Reevaluation of determined benefit plan	6 (11)	\$ 25,423	1	(\$ 2,898)	-
8316	Unrealized valuation gains and losses on Investment of equity instruments at fair value through other comprehensive income	6 (4) (15)	922,996	27	359,223	9
8330	The proportion of other comprehensive incomes from subsidiary, associates, and equity joint-ventures accounted for under the equity method – not reclassified as profit and loss		7,234	-	(3,212)	-
8349	Incomes tax related to titles not subject to reclassification	6 (22)	(5,085)	-	579	-
8310	Total amount of items not reclassified to profit or income		<u>950,568</u>	<u>28</u>	<u>353,692</u>	<u>9</u>
Items that may be re-classified subsequently under profit or loss						
8361	Exchange differences from the translation of financial statements of foreign operations	6 (15)	(9,479)	-	14,786	1
8380	The proportion of other comprehensive incomes from associates, and equity joint-ventures accounted for under the equity method – may be reclassified as profit and loss.	6 (15)	(572)	-	566	-
8399	Income tax related to items possibly be reclassified	6 (22)	<u>1,896</u>	-	(2,957)	-
8360	Total amount of items probably reclassified to profit or loss subsequently		(8,155)	-	<u>12,395</u>	<u>1</u>
8300	Other comprehensive profit or loss (net)		<u>\$ 942,413</u>	<u>28</u>	<u>\$ 366,087</u>	<u>10</u>
8500	Current period other comprehensive income (Gross)		<u>\$ 1,459,921</u>	<u>43</u>	<u>\$ 923,452</u>	<u>24</u>
Earnings per share						
9750	Basic earnings per share	6 (23)	\$	1.74	\$	1.88
9850	Diluted earnings per share		\$	1.72	\$	1.86

Please refer to the notes enclosed in the individual financial reports that are an integral part of the individual financial statements.

China Chemical & Pharmaceutical Co., Ltd.
Individual Statements of Changes in Shareholders' Equity
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

	Additional notes	Capital surplus			Retained earnings			Other equity			Treasury stock	Total equity
		Common stock capital	Issuance premium	Treasury stock trade	Changes in the ownership equity on a subsidiary	Legal reserve	Special reserve	Undistributed earnings	Exchange differences from the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss		
<u>2020</u>												
Balance as of January 1, 2020		\$ 2,980,811	\$ 578,416	\$ 65,765	\$ 1,593	\$ 496,980	\$ 188,958	\$ 1,573,890	(\$ 97,944)	\$ 146,049	(\$ 28,054)	\$ 5,906,464
Net income		-	-	-	-	-	-	557,365	-	-	-	557,365
Current period other comprehensive income	6 (15)	-	-	-	-	-	-	(4,922)	12,395	358,614	-	366,087
Current period other comprehensive income (Gross)		-	-	-	-	-	-	552,443	12,395	358,614	-	923,452
The 2019 appropriation and distribution of earnings	6 (14)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	38,469	-	(38,469)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(238,465)	-	-	-	(238,465)
Cash dividends which Subsidiary obtained from the Parent company.		-	-	475	-	-	-	-	-	-	-	475
Changes in the ownership equity on a subsidiary		-	-	-	(249)	-	-	-	-	-	-	(249)
Equity instrument at fair value through other comprehensive income statement	6 (4) (15)	-	-	-	-	-	-	193,183	-	(193,183)	-	-
Balance as of December 31, 2020		\$ 2,980,811	\$ 578,416	\$ 66,240	\$ 1,344	\$ 535,449	\$ 188,958	\$ 2,042,582	(\$ 85,549)	\$ 311,480	(\$ 28,054)	\$ 6,591,677
<u>2021</u>												
Balance as of January 1, 2021		\$ 2,980,811	\$ 578,416	\$ 66,240	\$ 1,344	\$ 535,449	\$ 188,958	\$ 2,042,582	(\$ 85,549)	\$ 311,480	(\$ 28,054)	\$ 6,591,677
Net income		-	-	-	-	-	-	517,508	-	-	-	517,508
Current period other comprehensive income	6 (15)	-	-	-	-	-	-	26,083	(8,155)	924,485	-	942,413
Current period other comprehensive income (Gross)		-	-	-	-	-	-	543,591	(8,155)	924,485	-	1,459,921
The 2020 appropriation and distribution of earnings	6 (14)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	74,563	-	(74,563)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(298,081)	-	-	-	(298,081)
Cash dividends which Subsidiary obtained from the Parent company.		-	-	593	-	-	-	-	-	-	-	593
Equity instrument at fair value through other comprehensive income statement	6 (4)(15)(22)	-	-	-	-	-	-	604,852	-	(604,852)	-	-
Balance as of December 31, 2021		\$ 2,980,811	\$ 578,416	\$ 66,833	\$ 1,344	\$ 610,012	\$ 188,958	\$ 2,818,381	(\$ 93,704)	\$ 631,113	(\$ 28,054)	\$ 7,754,110

Please refer to the notes enclosed in the individual financial reports that are an integral part of the individual financial statements.

China Chemical & Pharmaceutical Co., Ltd.
Individual Statements of Cash Flow
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

	<u>Additional notes</u>	<u>January 1 to December 31, 2021</u>	<u>January 1 to December 31, 2020</u>
<u>Cash flow from operating activities</u>			
Current year net profit before taxation		\$ 631,033	\$ 638,188
Adjustments			
Profits and loss			
Realized gross profit		(132,287)	(93,524)
Unrealized gross profit		133,771	132,287
Depreciation expenses	6(6)(7)	(20) 184,341	174,544
Amortization expenses	6 (20)	6,284	5,750
Expected credit impairment gain	12 (2)	(8,944)	(6,360)
Interest expenses	6 (21)	30,779	37,273
Interest revenue	6 (17)	(4,168)	(5,334)
Dividend income	6 (18)	(5,291)	(8,160)
Gain in disposal of real estate, plant buildings, equipment & facilities	6 (19)	(436)	(18)
The profit or loss in the subsidiary, affiliated company and joint ventures recognized under the equity method	6 (5)	(306,322)	(234,532)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Bills receivable (including related party and non-related party)		(1,694)	78,772
Accounts receivable (including related party and non-related party)		201,654	(210,802)
Inventory		98,396	(148,085)
Other receivables		(7,541)	10,814
Other receivables - related parties		6,625	3,434
Other current assets		5,682	(1,577)
Net changes in liabilities relating to operating activities			
Contractual liability- liquidity		9,950	30
Payable notes		1,642	-
Accounts payable including related party and non-related party)		(61,707)	91,112
Other payables		28,122	45,874
Other current liabilities		167	1,752
Net determined benefit liability		(38,230)	(10,402)
Cash inflow from operating activities		771,826	501,036
Interest received		4,168	5,334
Interest payment		(31,363)	(37,953)
Income tax payment		(105,032)	(53,708)
Dividends received		105,964	163,675
Net cash inflow from operating activities		<u>745,563</u>	<u>578,384</u>

(Continued on next page)

China Chemical & Pharmaceutical Co., Ltd.
Individual Statements of Cash Flow
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

	<u>Additional notes</u>	<u>January 1 to December 31, 2021</u>	<u>January 1 to December 31, 2020</u>
<u>Cash flow from investing activities</u>			
Decrease (increase) in financial assets based on cost after amortization		\$ 400	(\$ 400)
Acquisition of financial assets at fair value through other comprehensive profit or loss	6 (4)	(451,286)	(248,964)
Value of disposal of financial assets measured at FVTOCI	6 (4)	924,534	323,188
Purchase of property, plant, and equipment	6 (24)	(149,297)	(228,418)
Disposal of property, plant and equipment		1,457	1,248
Purchase of intangible assets		-	(8,526)
Increase in refundable deposits		(3,483)	(1,108)
De-capitalization refunded monies of financial assets at fair value through other comprehensive profit or loss (decrease)	6 (4)	9,000	-
Acquisition of investment under the equity method	6 (5)	(275,837)	-
Increase of other non-current assets		(8,100)	(24)
Net cash inflow (outflow) from investing activities		<u>47,388</u>	<u>(163,004)</u>
<u>Cash flow from financing activities</u>			
Decrease in Shot-term borrowings	6 (25)	(246,619)	(126,088)
Increase (decrease) in short-term payable notes	6 (25)	(50,000)	150,000
Current borrowing amount of long-term loan	6 (25)	450,000	208,000
Current repaying amount of long-term loan	6 (25)	(631,000)	(368,000)
Increase in deposits paid	6 (25)	-	(30)
Cash dividend released	6 (14)	(298,081)	(238,465)
Lease principal repayment	6 (25)	(5,251)	(3,406)
Net cash outflow from financing activities		<u>(780,951)</u>	<u>(377,989)</u>
Current cash and cash equivalents increase		12,000	37,391
Balance of cash and cash equivalents, beginning of period		<u>98,272</u>	<u>60,881</u>
Balance of cash and cash equivalent, end of period		<u>\$ 110,272</u>	<u>\$ 98,272</u>

Please refer to the notes enclosed in the individual financial reports that are an integral part of the individual financial statements.

Appendix 3

China Chemical & Pharmaceutical Co., Ltd.

Audit Committees' Review Report

The Board of Directors prepared and submitted the business report, financial statements (both consolidated and individual), and proposal for earnings distribution of 2021. The aforementioned business report, financial statements (including individual and consolidated financial statements) and proposed distribution of earning have been duly audited by the Audit Committee and were believed without non-conformity. The Report as mentioned above is duly submitted in accordance with Article 14~4 of Securities and Exchange Act, Article 219 of Company Act. Please check and verify.

Best regards

2022 Shareholders' regular meeting of China Chemical & Pharmaceutical Co., Ltd.

Audit Committee, Convener: Chen, Hung-Shou

March 8, 2022

Appendix 4

China Chemical & Pharmaceutical Co., Ltd.
Statement of Retained Earnings
2021

Item	Unit: NTD Amount
The net profit after tax in Year 2021	517,507,754
Plus: Adjustment of retained earnings in Year 2021	630,934,807
Less: recognition of legal reserve	(114,844,256)
Plus: Unappropriated retained earnings at end of the term	1,669,938,641
Distributable earnings for the 2021	2,703,536,946
Less: Shareholders' Bonus (Cash bonus of NTD 0.9 per share)	(268,272,972)
Closing undistributed earnings	2,435,263,974
The cash dividend in present distribution is rounded off to the nearest whole number of New Taiwan Dollar and the fraction less than one New Taiwan Dollar shall be discarded. The amount less than NT\$1 will be account for Other Income of the Company.	

Appendix 5

China Chemical & Pharmaceutical Co., Ltd.’s “Procedures for Asset Acquisition or Disposition” amended before and after

Clauses after the amendment	Original clause	Remarks
<p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide this Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements: 1~3..... (omitted) When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules issued by respective professional associations</u> and the following:</p> <ol style="list-style-type: none"> 1. Prudently assess own professional competencies, practical experience, and independence prior to undertaking assignments. 2. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations. 	<p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide this Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements: 1~3..... (omitted) When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prudently assess own professional competencies, practical experience, and independence prior to undertaking assignments. 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate,</u> and that they have complied with applicable laws and regulations. 	<p>Related contents are revised in accordance with the FSC Issuance No. 1110380465 letter dated January 28, 2022 from the Financial Supervisory Commission where some articles of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” were revised.</p>
<p>Article 7: The procedure for determining trading</p>	<p>Article 7: The procedure for determining trading</p>	<p>Regulations for amending</p>

<p>conditions: Paragraph 1(omitted) 2. The responsible unit shall make a decision within the scope of authorization over assets to be acquired or disposed of: (1)..... (omitted) (2)Acquisition and disposal of property, equipment, or right-of-use assets: 1. If the amount of realty or its right to use assets is less than NT\$80 millions, they shall be submitted to the Chairman for approval. If the amount exceeds NT\$80 millions, they shall also be submitted to the Audit Committee for approval by more than one-half of all the members and submitted to the board of directors for approval. 2. If the amount of equipment or its right to use assets is less than NT\$50 millions, they shall be submitted to the Chairman for approval. If the amount exceeds NT\$50 millions, they shall also be submitted to the Audit Committee for approval by more than one-half of all the members and submitted to the board of directors for approval.</p>	<p>conditions: Paragraph 1(omitted) 2. The responsible unit shall make a decision within the scope of authorization over assets to be acquired or disposed of: (1)..... (omitted) (2)Acquisition and disposal of property, equipment, or right-of-use assets: 1. If the amount of realty or its right to use assets is less than NT\$50 millions, they shall be submitted to the Chairman for approval. If the amount exceeds NT\$50 millions, they shall also be submitted to the Audit Committee for approval by more than one-half of all the members and submitted to the board of directors for approval. 2. If the amount of equipment or its right to use assets is less than NT\$30 millions, they shall be submitted to the Chairman for approval. If the amount exceeds NT\$30 millions, they shall also be submitted to the Audit Committee for approval by more than one-half of all the members and submitted to the board of directors for approval.</p>	<p>amounts.</p>
<p>Article 8: Where the Company acquires or disposes of assets, the Company shall retain an expert(s) to issue a report(s) based on the categories of the assets the provisions as enumerated below: 1. In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a professional appraiser and comply with the provisions below, except for 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</p>	<p>Article 8: Where the Company acquires or disposes of assets, the Company shall retain an expert(s) to issue a report(s) based on the categories of the assets the provisions as enumerated below: 1. In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a professional appraiser and comply with the provisions below, except for 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</p>	<p>Related contents are revised in accordance with the FSC Issuance No. 1110380465 letter dated January 28, 2022 from the Financial Supervisory Commission where some articles of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” were revised.</p>

<p><u>or its right-of-use assets held for business use.</u></p> <p>(1)~(2)..... (omitted)</p> <p>(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 render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 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. <p>(Omitted hereinafter)</p> <p>2. 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. However, if the securities are publicly quoted in the market or meets the following requirements, the</p>	<p><u>or its right-of-use assets held for business use.</u></p> <p>(1)~(2)..... (omitted)</p> <p>(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 <u>engaged to perform the appraisal in accordance with the provisions of Standard of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 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. <p>(Omitted hereinafter)</p> <p>2. The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company’s most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the paid-in capital or NTD300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. The CPA that needs to adopt the report of an expert shall have it</p>	
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<p>company may not obtain financial statements and consult the accountant for opinions. (1)~(9)..... (omitted)</p> <p>3..... (omitted)</p> <p>4. 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</p>	<p>processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 published by the Research and Development Foundation. However, if the securities are publicly quoted in the market or meets the following requirements, the company may not obtain financial statements and consult the accountant for opinions. (1)~(9)..... (omitted)</p> <p>3..... (omitted)</p> <p>4. 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; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	
<p>Article 8-1:</p> <p>The transactions amount in the Paragraph 1, 2, 4 of the preceding Article should be calculated in accordance with Article 13 Paragraph 2. Also, the alleged “within one year” meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA’s opinions acquired in accordance with the <u>procedures</u>.</p>	<p>Article 8-1:</p> <p>The transactions amount in the Paragraph 1, 2, 4 of the preceding Article should be calculated in accordance with Article 13 Paragraph 2. Also, the alleged “within one year” meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA’s opinions acquired in accordance with the <u>regulations</u>.</p>	<p>Minor text amendment for legal process.</p>
<p>Article 9:</p> <p>Related party transactions: Paragraph 1(omitted)</p> <p>2. Where the Company acquires or disposes of real estate or its right-to-use assets from its related party, or other assets other than real estate or its right-to-use assets acquired or disposed of with its related party and the transaction amount amounts to 20% of the company's paid-in</p>	<p>Article 9:</p> <p>Related party transactions: Paragraph 1(omitted)</p> <p>2. Where the Company acquires or disposes of real estate or its right-to-use assets from its related party, or other assets other than real estate or its right-to-use assets acquired or disposed of with its related party and the transaction amount amounts to 20% of</p>	<p>Related contents are revised in accordance with the FSC Issuance No. 1110380465 letter dated January 28, 2022 from the Financial</p>

<p>capital, 10% of its total assets or more than NT\$300 millions, in addition to Sale and purchase in domestic bonds, bonds subject to buy-back or sell-back conditions, applications for purchase or buy-back domestic securities issued by domestic securities investment trust enterprise, the following information should be submitted to the Audit Committee with the consent of more than one-half of all members and submitted to the board of directors for approval before signing a transaction contract and paying the amount.</p> <p>(1)~(7)..... (omitted)</p> <p><u>Transactions between the Company and subsidiaries as stated in Paragraph 1, 2 of this Article, and accounted for 10% of the total assets of the Company, forward the information as exhibited in Paragraph 1 to the Shareholders Meeting for approval before proceeding to entering into agreement and effective payment. This does not apply, however, to transactions between the Company and its subsidiaries, or between its subsidiaries.</u></p> <p>The trading value indicated in Paragraphs 1 and 2 and the preceding paragraph hereunder shall be calculated according to the requirements in Article 13 Paragraph 2 and “within a year” as stated is based on the actual date of occurrence of the current transaction, retroactively by one year. It is allowed not to include those already submitted <u>during the shareholders’ meeting</u>, to the Audit Committee for consent from at least one-half of all members and brought forth to the Board of Directors for approval as required herein.</p> <p>(Omitted hereinafter)</p>	<p>the company's paid-in capital, 10% of its total assets or more than NT\$300 millions, in addition to Sale and purchase in domestic bonds, bonds subject to buy-back or sell-back conditions, applications for purchase or buy-back domestic securities issued by domestic securities investment trust enterprise, the following information should be submitted to the Audit Committee with the consent of more than one-half of all members and submitted to the board of directors for approval before signing a transaction contract and paying the amount.</p> <p>(1)~(7)..... (omitted)</p> <p>The transaction amount referred to above is calculated in accordance with Article 13 Paragraph 2, and the so-called within one year is the year prior to the date of the event; also, the portion that has been submitted under the Procedures to the Board of Directors and Audit Committee for approval needs not be included for calculation.</p> <p>(Omitted hereinafter)</p>	<p>Supervisory Commission where some articles of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” were revised.</p>
<p>Article 13: Information Disclosure Procedure: 1. The Company’s acquisition or disposal of assets in any of the following circumstances. It should be announced and reported in the FSC website within two days from the date of the event in accordance with the nature and the prescribed format: (1)~(5)..... (omitted) (6)The assets trade, financial</p>	<p>Article 13: Information Disclosure Procedure: 1. The Company’s acquisition or disposal of assets in any of the following circumstances. It should be announced and reported in the FSC website within two days from the date of the event in accordance with the nature and the prescribed format: (1)~(5)..... (omitted) (6)The assets trade, financial</p>	<p>Related contents are revised in accordance with the FSC Issuance No. 1110380465 letter dated January 28, 2022 from the Financial Supervisory</p>

<p>institution’s disposal of claims or the investments engaged in Mainland China other than the transactions stated in the five paragraphs referred to above are for an amount exceeding 20% of the paid-in capital or NTD300 million. However, the following conditions are not subject to this restriction:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign government bonds with a credit rating not below the sovereignty rating of our government.</u> 2. The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises <p>(Omitted hereinafter)</p>	<p>institution’s disposal of claims or the investments engaged in Mainland China other than the transactions stated in the five paragraphs referred to above are for an amount exceeding 20% of the paid-in capital or NTD300 million. However, the following conditions are not subject to this restriction:</p> <ol style="list-style-type: none"> 1. Domestic government bonds trade. 2. The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises <p>(Omitted hereinafter)</p>	<p>Commission where some articles of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” were revised.</p>
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Appendix 6

1a Chemical & Pharmaceutical Co., Ltd.

The comparison table of the Articles of Incorporation before and after amendments

Clauses after the amendment	Existing clauses	Reason
<p>Article 2:</p> <ol style="list-style-type: none"> 1. <u>C114010 Food Additives Manufacturing</u> 2. <u>C201010 Feed Manufacturing</u> 3. <u>C201020 Pet Food Processing</u> 4. <u>C802041 Manufacture of Drugs and Medicines</u> 5. <u>C802051 Manufacture of Chinese Medicines</u> 6. <u>C802060 Veterinary Drug Manufacturing</u> 7. <u>C802070 Agro-pesticide Manufacturing</u> 8. <u>C802080 Environmental Agents Manufacturing</u> 9. <u>C802090 Manufacture of Cleaning Preparations</u> 10. <u>C802100 Cosmetics Manufacturing</u> 11. <u>CF01011 Medical Devices Manufacturing</u> 12. <u>F102170 Wholesale of Foods and Groceries</u> 13. <u>F103010 Wholesale of Animal Feeds</u> 14. <u>F106020 Wholesale of Daily Commodities</u> 15. <u>F106060 Wholesale of Pet Food and Supplies</u> 16. <u>F107030 Wholesale of Cleaning Supplies</u> 17. <u>F107040 Wholesale of Agro-pesticides</u> 18. <u>F107050 Wholesale of Fertilizer</u> 19. <u>F107070 Wholesale of Veterinary Drugs</u> 20. <u>F107080 Wholesale of Environmental Agents</u> 21. <u>F108011 Wholesale of Traditional Chinese Medicine</u> 22. <u>F108021 Wholesale of Western Pharmaceutical</u> 23. <u>F108031 Wholesale of Medical Devices</u> 24. <u>F108040 Wholesale of Cosmetics</u> 25. <u>F121010 Wholesale of Food Additives</u> 26. <u>F202010 Retail Sale of Feeds</u> 27. <u>F203010 Retail Sale of Food, Grocery and Beverage</u> 28. <u>F206020 Retail Sale of daily commodities</u> 29. <u>F206050 Retail Sale of Pet Food and Supplies</u> 30. <u>F207030 Retail Sale of Cleaning Supplies</u> 31. <u>F207040 Retail Sale of Agro-pesticides</u> 32. <u>F207050 Retail Sale of Fertilizer</u> 33. <u>F207070 Retail Sale of Veterinary Drugs</u> 34. <u>F207080 Retail Sale of Environmental Agents</u> 35. <u>F208011 Retail Sale of Traditional Chinese Medicine</u> 36. <u>F208021 Retail Sale of Western Pharmaceutical</u> 37. <u>F208031 Retail Sale of Medical Apparatus</u> 38. <u>F208040 Retail Sale of Cosmetics</u> 39. <u>F208050 Retail Over-the-counter drugs class B</u> 40. <u>F221010 Retail of Food Additives</u> 41. <u>F399040 Retail Sale No Storefront</u> 42. <u>F401010 International Trade</u> 43. <u>F601010 Intellectual Property Rights</u> 	<p><u>The Company's business classifications are:</u></p> <ol style="list-style-type: none"> 1. <u>Manufacture, buys, sales of pharmaceuticals, agricultural & industrial products, workstock pharmaceuticals, domestic hygiene cleaning articles</u> 2. <u>Manufacture, buys and sales of personal hygiene & health-care articles (medicated shampoos, medicated facial cleanser, facial soaps, medicated soaps, health-care shower lotion, toothpaste, toothbrushes, tooth lotion, dental flosses, mouth fresh fragrance sprays and the like), cosmetics, medicated cosmetics and skin care products (anti line wrinkle crème, spot-covering cream, moisturizing cream, emulsion, cosmetic lotion and the like.</u> 3. <u>Manufacture, buys and sales of food industrial products and feed.</u> 4. <u>Buys and sales of the products linked up with the above and the machinery & equipment, utensils thereof.</u> 5. <u>Agency services, buys and sales of chemical fertilizers.</u> 6. <u>Agency services.</u> 7. <u>The import and export trade for all aforementioned items.</u> 8. <u>Import, buys and sales of medical care instruments.</u> 9. <u>To commission construction firms to erect business buildings for lease and for sales.</u> 10. <u>To publish a variety of magazines and books.</u> 	<p>Add and code new business items.</p>

Clauses after the amendment	Existing clauses	Reason
<p>44.<u>H703090 Real Estate Business</u> 45.<u>H703100 Real Estate Leasing</u> 46.<u>I199990 Other Consulting Service</u> 47.<u>IC01010 Medicine Inspection</u> 48.<u>IG01010 Biotechnology Services</u> 49.<u>IG02010 Research and Development Service</u> 50.<u>J303010 Magazine(Periodical) Publishing</u> 51.<u>J304010 Book Publishing</u> 52.<u>ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</u></p>	<p><u>11.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</u></p>	
<p><u>Article 11-1:</u> <u>The Shareholders Meeting of the Company may convene via videoconferencing or any other means as announced by the Ministry of Economic Affairs.</u></p>	<p>Newly added</p>	<p>To diversify the ways where the Company may hold its shareholders' meetings, related contents are added according to Article 172-2 of the Company Act.</p>
<p><u>Article 14:</u> (omitted) For shareholders' meetings called for by the Company, <u>"electronically" will be included as a way to cast a vote and how it is exercised shall be specified in the Shareholders' Meeting Notice.</u></p>	<p>Newly added</p>	<p>Related contents are revised reflective of the practice at the Company.</p>
<p><u>Article 34:</u> The Articles of Incorporation were established on October 12, 1966,the 46th amendment was made on November 14, 2018, <u>the 47th amendment was made on May 26, 2022</u>, and implemented with the resolutions reached in the shareholders' meeting.</p>	<p><u>Article 34:</u> The Articles of Incorporation were established on October 12, 1966,..... the 43rd amendment was made on June 6, 2012, the 44th amendment was made on May 28, 2015, the 45th amendment was made on May 27, 2016, the 46th amendment was made on November 14, 2018, and implemented with the resolutions reached in the special shareholders' meeting.</p>	<p>The date of the current revisions is added.</p>

Appendix 7

China Chemical & Pharmaceutical Co., Ltd.

Intended Private Placement for Issuance of Common Stock Shares or Domestic Convertible Corporate Bonds (Including Secured or Unsecured Convertible Corporate Bonds):

- I. To enrich the operating capital, pay off debts borne by the Company, or for other demands for funds to support future developments of the Company, the Company intends to introduce strategic funds raised by investors through private placement reflective of the market situation and the needs of the Company for issuance either common stock shares or domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds) or common stock shares in combination with domestic convertible corporate bonds separately or concurrently. The actual number of shares to be issued or convertible is to be decided by the Board of Directors as authorized through the shareholders' meeting depending on the situation on the capital market and may not exceed 20% (that is, 59,616,216 shares) of the total number of outstanding shares.
- II. Clarifications are provided below as required by Article 43-6 Paragraph 6 of the Securities and Exchange Act:
 - (I) Basis for and legitimacy of pricing:
 1. The price per share of private placement common stock may not be below 80% of the reference price. The reference price is the higher of those calculated according to the two criteria below:
 - (1) The price obtained with the simple arithmetic mean of the closing prices of the one, three, or five business days prior to the pricing date from which the free allotment ex-right and cash dividend subtracted and capital decrease reverse ex-right added back up.
 - (2) The price obtained with the simple arithmetic mean of the closing prices of the thirty business days prior to the pricing date from which the free allotment ex-right and cash dividend subtracted and capital decrease reverse ex-right added back up.
 2. Private convertible corporate bonds:
 - (1) Denomination per sheet: NT\$100,000 or an integral multiple thereof.
 - (2) Duration of issuance: Seven (7) years maximum starting from the date of issue.
 - (3) Denomination interest rate: 0% per annum provisionally.
 - (4) The issue price of private placement convertible corporate bonds may not be below 80% of the theoretical price. The theoretical price will be determined with the valuation model selected that covers and takes into consideration at the same time various rights included in the issuance criteria. The price of conversion shall be on the basis of the simple arithmetic average of the price of the common shares closed on any one day among the 1st, 3rd and 5th business days prior to the pricing date deducted with the ex-rights and ex-dividends of the gratuitous share

allotment added back to the reverse-ex-rights stock price amidst the capital decrease; or the simple arithmetic average common share prices closing in thirty (30) business days prior to the pricing date deducted with the ex-rights and ex-dividends of the gratuitous share allotment added back with the reverse-ex-rights stock price amidst the capital decrease, whichever is higher. Either of such price so obtained shall not be lower than 80% of the reference price.

3. The pricing date, actual reference price and theoretical price, and actual issue price (including the conversion price of private placement convertible corporate bonds) are intended to be decided by the Board of Directors according to the requirements mentioned above as authorized through the shareholders' meeting reflective of the market situation, objective criteria, and arrangements with specific persons on a later date. The private placement price (including the conversion price of private placement convertible corporate bonds) is determined according to the laws and regulations set by the competent authority, with reference to the reference price or theoretical price mentioned above in addition to the "three-year transfer restriction" for private placement securities under the Securities and Exchange Act; as such, the price set shall be reasonable.

(II) Choice of specific persons: Specific persons are limited to strategic investors meeting the eligibility criteria specified under Article 43-6 Paragraph 1 of the Securities and Exchange Act, capable of helping the Company improve its technologies, quality, bring down the cost, boost efficiency, maximize market share, enhance corporate governance, and strengthen risk management, and approving the management philosophy of the Company. Approaching strategic investors meeting the foregoing criteria is meant to meet, required for, and expected to render benefits in terms of the Company's long-term development needs. It is intended to help the Company fulfill the foregoing benefits taking advantage of the experience, knowledge, technical background, distribution channels, or deployment of the said strategic investors. No specific persons have been approached by the Company so far. It is intended to authorize the Board of Directors through the shareholders' meeting to take care of approaching specific persons.

(III) Rationale for organizing private placements:

1. Why no public offering? In light of the situation on the capital market, time-efficiency, feasibility, and issue cost of capital raising, and the actual needs for introducing strategic investors, the requirement that private placement securities may not be transferred freely within three years helps ensure the long-term partnership between the Company and its strategic investors; as such, securities are issued not through public offering but

through private placement.

2. Private placement limit: Not to exceed 59,616,216 common stock shares.

3. Purpose of private placement funds and expected benefits to be fulfilled:

The Company will organize private placements once or multiple times (3 times at maximum) reflective of the market situation and status of approaching specific persons. All the funds raised through private placements are used to enrich the operating funds. Each private placement is expected to reinforce the competitive advantages of the Company, improve the operating efficacy, and strengthen the financial structure and hence helps with the shareholders' equity positively.

- III. Major details of the current plan to issue common stock shares or domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds) through private placement include the actual issue price, number of shares, issuance criteria, value of private placement, capital increase base date, action items, expected progress, and expected possible benefits, among others, as well as all the other matters and mechanisms concerning the issuance plan are intended to be placed at the discretion of the Board of Directors as authorized through the shareholders' meeting, too. The Board of Directors may adjust, define, and manage them reflective of the situation on the market and may also revise or change them as instructed by the competent authority or based on the operational evaluation or in response to the objective environment as needed.
- IV. The rights and obligations associated with the current private placement common stock shares are identical to those of outstanding common stock shares of the Company. Applicable restrictions for securities in the current private placement shall be based on Article 43-8 of the Securities and Exchange Act and clarifying letters of applicable laws and regulations from the competent authority.
- V. To facilitate the current placement of securities, it is intended to authorize the Chairman or his/her designee through the shareholders' meeting to negotiate, finalize, and enter into all contracts and documents concerning the current private placement and take care of all the matters required for the current private placement on behalf of the Company. For matters not specified above, the Chairman is authorized to handle them at his/her own discretion as required by law.

Appendix 8

China Chemical & Pharmaceutical Co., Ltd.
Information on Candidates for Independent Directors

Candidate category	Name of the candidates	Shares	Education	Work Experience	Current position	Whether or not he/she has served as an independent director for three consecutive terms	The reasons to be continually nominated and the reasons for serving as an independent director for three sessions in a row
Independent Director	LEU,CHIA-HWEL (Female)	None	Department of Agricultural Economics, National Taiwan University MBA, Emory University	<ul style="list-style-type: none"> ● Accounting Department and Tax Department of Deloitte ● Marketing Department of AETNA Life Insurance Co., Ltd. ● Marketing Department of ING AETNA Life Insurance Co., Ltd. Marketing Department 	China Chemical & Pharmaceutical Co., Ltd.: Remuneration Committee member	No	Not applicable

Appendix 9

Articles of Incorporation of China Chemical & Pharmaceutical Co., Ltd.

Chapter 1 - General Principles

Article 1: The Company is organized according to the provisions of the Company Act and is named China Chemical & Pharmaceutical Co., Ltd., hereinafter referred to as “CCPC”.

Article 2: The following lists the businesses engaged by the Company:

1. Manufacture and trade of pharmaceuticals, agricultural and industrial chemicals, veterinary drugs, home hygiene and sanitation supplies.
2. Manufacture and trade of personal hygiene and healthcare products (including medicinal shampoo, therapeutic face wash, face washing soap, medicinal soap, healthcare shower foam, toothpaste, tooth brush, mouth rinse, dental floss, and breath spray), cosmetics, medicinal cosmetics, and skin care products (wrinkle removing cream, spots removing cream, moisturizing cream and lotions, and toning lotion).
3. Manufacture and trade of food industry products and feed
4. Sales of the aforementioned products and relevant machinery and equipment, and storefront retail services.
5. Distribution and trade of chemical fertilizers.
6. Subcontracting services.
7. Import-export business of related matters stipulated in the preceding paragraphs.
8. Import and trade of medical instruments.
9. Commissioning of construction companies and construction firms for the rental and sales of office buildings.
10. Publication of various magazines and books.
11. Any business not prohibited or restricted by business laws in addition to the permitted businesses (ZZ99999).

Article 3: Where the Company is a liable shareholder of another company, the total amount of investments made to the other company may be exempt from the restrictions stipulated in Article 13 of the Company Act where the amount may not exceed 40% of the total authorized capital.

Article 4: The Company may provide endorsements or guarantees to other parties.

Article 5: The Company is located in Taipei. Where necessary, branch offices and plants may be established throughout Taiwan and overseas. The establishment and cancellation of the said branches shall be resolved by the Board of Directors.

Article 6: Public disclosures made by the Company shall be implemented in pursuant to the provisions of Article 28 of the Company Act.

Chapter 2 - Shares

Article 7: The total capital amount of the Company shall be 5 billion NTD(NT\$5,000,000,000), divided into 0.5 billion (500,000,000) shares, with a par value of ten NTD (NT\$10) per share.

The unreleased shares are authorized to be issued by the board of directors according to the needs of the company's operation

Article 8: Shares of the Company shall be inscribed and provided with the signatures or seals of at least 3 directors, and shall be certified by a competent authority or an issuance and registration institution approved by the said competent authority before the shares may be issued. Alternatively, the Company may issue shares in the form of non-physical scrips, or issue physical scrips according to the aggregate total of issued shares, and contact a centralized securities depository enterprise and institute to register and provide custody of the shares.

Article 9: The handling of shares by the Company shall be based upon relevant statutory regulations released by a competent authority in matters related to securities.

Article 10: Any assignment or transfer of shares shall be suspended within a period of 60 days prior to the date of every annual shareholders' meeting, or within a period of 30 days prior to the date of every provisional shareholders' meeting, or within a period of 5 days before the standard date where the Company has decided to distribute share dividends or bonuses or other forms of benefits.

Chapter 3 - Shareholders' meeting

Article 11: Shareholders' meetings of the Company are divided into 2 categories of annual shareholders' meetings and provisional shareholders' meetings:

A. Annual shareholders' meetings shall be convened by the Board of Directors within 6 months after the end of every fiscal year.

B. Provisional shareholders' meetings shall be convened when necessary according to law.

Article 12: Every shareholder shall be notified 30 days before the convening date of an annual shareholders' meeting, or 15 days before the convening date of a provisional shareholders' meeting.

Article 13: For resolutions of the shareholders' meeting, unless otherwise specified by the Company Act, the meeting must be attended by shareholders who represent at least one-half of the total number of shares, and shall be passed by at least half of the voting rights exercised by the shareholders present at the meeting.

Every share of the Company held by shareholders provide one unit of voting power, but where circumstances described in Article 179 of the Company Act applies, the share shall have no voting power.

Article 14: Where a shareholder is unable to attend a shareholders' meeting, he or she may authorize a proxy to attend in his or her stead. However, a proxy letter granting the

power of attorney to the proxy must be printed and issued by the Company must be submitted 5 days prior to the date of the shareholders' meeting, and the said letter must clearly state the scope of authorization and be furnished with a signature or seal. Each shareholder may issue one power of attorney form and grant the power of attorney to one individual.

With the exception of trust enterprises or an agency approved by a competent authority of securities to handle share-related affairs, where a person acts as the proxy for two or more shareholders, the number of voting power represented by the person shall not exceed 3 percent of the total voting power of the distributed shares, and any excessive portion of the voting power shall not be counted. Where multiple proxy letters were received from one shareholder, the first one received by the Company shall prevail, unless an explicit statement to revoke the previous proxy letter is made in the letter received later.

Article 15: Where the shareholders' meeting is convened by the Board of Directors, the meeting shall be presided by the Chairperson. Where the Chairperson is on leave or, for any cause, unable to exercise his or her power or authority, the Chairperson shall appoint a director to serve as his or her proxy, or the directors shall elect from among themselves a member to act as the proxy.

Where the shareholders' meeting is convened by a person having the convening right who is not a member of the Board of Directors, the chairperson of the meeting shall be the said person having the convening right. Where there are two or more persons having the convening right, the chairperson of the meeting shall be elected from the said persons.

The shareholders' meeting shall be implemented according to the rules governing the proceedings of meetings of the Company.

Article 16: Resolutions of the shareholders' meeting shall be recorded in the minutes of the meeting, which shall bear the signature or seal of the chairperson of the meeting. The meeting minutes shall be issued to all shareholders within 20 days after the closure of the meeting. The generation and distribution of meeting minutes may be performed digitally.

The issuance of meeting minutes as required in the preceding paragraph may be carried out by a public disclosure on the Market Observation Post System (MOPS).

Chapter 4 - Board of Directors and Audit Committee

Article 17: The Company has established 5 to 7 directors. Since the 23rd session of the Board of Directors meeting, the election of directors shall be based upon a candidate nomination system, where candidates elected by the shareholders shall serve as the director.

Directors serve 3 year terms and may be eligible for re-election. In the event that no election of new directors is effected after expiration of the term office of existing directors, the said term of office of outgoing directors shall be extended until the time

new directors have been elected and assumed their office. The total amount of

inscribed shares held by all directors may not be less than the proportion stipulated by a competent authority in charge of securities affairs.

For the number of directors in the preceding paragraph, the number of independent directors may not be less than 3, and may not be less than one-fifth of the total number of directors. Professional qualifications, limits on shareholding and concurrent duties in other companies, verification of independence, method of nomination, and other matters of compliance shall be implemented according to relevant laws.

Article 18: Since the 23rd Board of Directors, the Company has established an audit committee composed of all independent directors. The audit committee may not have less than 3 members, of which, one shall serve as the convener, and at least one member shall be a professional in either accounting or finances.

Article 19: The Company shall establish a remuneration committee according to law and other functional committees. The organizational charter of each committee shall be resolved by the Board of Directors.

Article 20: The remuneration of the chairman, vice-chairman and directors shall be authorized to be agreed upon by the board of directors according to the extent of their participation in the operation of the company and the value of their contribution, as well as taking into account the usual level of the same profession.

Article 21: The Company may purchase liability insurance for all directors within their term of office for liability claims defined by law while exercising their duties within the prescribed scope to reduce and distribute risks of serious damage caused to the Company or its shareholders as a result of the mistakes or negligence on a director.

Article 22: The following describes the duties of the Board of Directors:

1. Convene the shareholders' meeting and resolve on relevant matters.
2. Review and finalize business directives, research and design production plans, and audit job progresses.
3. Review and finalize revisions to key chapters and sections and approvals to termination thereof.
4. Audit budgets and finalized statements, and business reports, and propose earnings distribution plans.
5. Review and finalize revisions of material contracts and approvals to termination thereof.
6. Approve the internal organization of branch offices and the establishment, expansion, reduction, and changes thereof.
7. Determine the appointment, discharge, promotion, or re-assignment of key personnel, and approve regulations governing bonuses, penalties, resignation, and pensions of said personnel.
8. Propose and discuss increases or decreases in capital and partnerships in external

investments.

9. Resolve upon cases assigned by the Chairperson.

10. Review and resolve upon cases proposed by the General Manager.

11. Exercise other duties and authorities as defined by other laws or granted by the Board of Shareholders.

Article 23: To convene a Board of Directors meeting, the reason for the meeting shall be clearly indicated and all directors shall be notified 7 days prior to the meeting. Meetings may also be convened at any time for any emergency. Notifications for the convening of Board of Directors meetings may be issued by fax or e-mail.

Article 24: The Board of Directors is organized by the directors. The Chairman of the board of directors shall be elected from among the directors by majority of the directors present at a meeting attended by more than two thirds of the directors. And depending on business needs, the vice Chairman of the Board of Directors may also be elected in the same way as the Chairman's election. The chairman shall preside over all business on behalf of the company.

Article 25: The chairman of the board of directors shall internally preside at the meeting of the board of directors and shall externally represent the company. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case the vice chairman is also on leave or is absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors to act on his behalf.

In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.

A director who is unable to attend in person may appoint another director to attend the meeting in his or her behalf in accordance with this Corporation's articles of incorporation.

A director who appoints another director to attend a board meeting shall issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting and entrusted other directors to represent him. A director's proxy may act as a proxy for only one other director.

Article 26: Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Chapter 5 - Employees

Article 27: The Company may appoint managerial officers. Appointment, discharge, and remuneration of the said managerial officers shall be implemented pursuant to the provisions of Article 29 of the Company Act.

Article 28: The General Manager shall uphold the commands of the Chairperson and manage all affairs of the Company using the authorities granted by the Board of Directors.

The Vice President(s) shall support the management activities of the General Manager.

Article 29: The Company may employ a number of legal attorneys, accountants, and other consultants, all of whom shall be employed and appointed by the Board of Directors.

Article 30: Detailed provisions on the procedures of internal organizations of the Company and factory management regulations shall all be stipulated by the Board of Directors.

Chapter 6 - Calculating the earnings distribution

Article 31: The period from January 1 to December 31 of the same year shall be regarded as a fiscal year of the Company. Upon the termination of every fiscal year, the Board of Directors shall generate various statements and reports listed in the following and submit the said statements and reports to the annual shareholders' meeting for verification:

1. Business report.
2. Financial statement.
3. Earnings distribution or loss make-up proposal.

Article 32: If the Company makes a profit for a fiscal year, 1 to 15 percent shall be set aside for the employees' compensation, and no higher than 3 percent shall be set aside for the remuneration of the directors. Where the Company has outstanding accumulated losses, a sum shall be set aside to make up for the said losses. Targets qualified to receive the employees' compensation mentioned in the preceding paragraph may include employees of the Company who meet certain criteria, the said criteria shall be stipulated by the Board of Directors.

Article 32-1: The Company is engaged in an industry with a volatile environment in a phase of steady growth of corporate life cycles. Considering future capital requirements and long-term financial planning of the Company, and to satisfy the shareholders' need for cash inflow, the Company shall distribute any surplus available after each annual final statement in the following priority:

1. Payment of taxes required by law.
2. Compensate outstanding losses from previous years.
3. Set aside 10 percent for the legal reserve.
4. Special reserves that must be set aside according to the relevant regulations.
5. Where a surplus is still available, the cumulative undistributed earnings of the previous year may be used as distributable earnings. However, a portion may be retained according to the state of business before distributing the earnings as shareholders' bonus, wherein the cash dividend may not be lower than 50 percent of the shareholders' bonus. However, where cash dividend is less than NT\$0.1 per share, the earnings may be distributed as stock dividend instead.

Chapter 7 - Supplementary Provisions

Article 33: Matters not covered by these Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws.

These Articles of Incorporation was stipulated on February 8, 1952. The 1st revision was made on November 1, 1953..., the 45th revision was made on May 27, 2016. With the exception of old articles of articles 23, 23-1, 23-2, and 24 prior to the 44th revision and Articles 17, 18, 23, 31, and 32 changed in this revision, which will enter into force after the 23rd Board of Directors, the remaining articles shall enter into force after the shareholders' meeting , The 46th amendment was made on November 14, 2018, and shall come into effect after the adoption of the provisional meeting of shareholders.

Appendix 10

China Chemical & Pharmaceutical Co., Ltd. Rules of Procedure for Shareholders' Meetings

Revised at the annual shareholders' meeting on May 21, 2021

Article 1: The rules for compliance are stipulated in accordance with Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" for establishing the Company's excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.

Article 2: The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).

Article 3: Unless otherwise provided by law, shareholders' meetings of the Company shall be convened by the board of directors.

The Company shall prepare the shareholders meeting notices, proxy form, recognitions, discussions, reasons and descriptions of election or removal of directors and other motions, and upload in an electronic format to the Market Observation Post System thirty days before the general meeting, or fifteen days before an extraordinary meeting. And prepare the shareholders' meeting brochure and supplemental materials and upload in an electronic format to the Market Observation Post System twenty-one days before the general meeting, or fifteen days before an extraordinary meeting. Make the shareholders meeting brochure and supplemental materials available for the shareholders' review at any time fifteen days before a shareholders' meeting, and leave the copies at the Company and the shareholder service agency hired by the Company, and at the venue of the shareholders' meeting.

The reasons for convening the meeting should be stated in the notice and announcement. The notice with the consent of the counterparty can be issued electronically.

Such act(s) as to elect or discharge a director, amend the Articles of Incorporation, reduce capital, apply for discontinuity from public offering, permit for director prohibition of business strife, turn earnings into capital increase, turn the reserve into capital increase, dissolve the Company, perform merger or demerger, or any affairs set forth under all Subparagraphs of Paragraph 1, Article 185 of the Company Act, affairs set forth under Article 26-1, Article 43-6 of Securities and Exchange Act, Article 56-1 and Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall have the major contents duly enumerated and explained in the convening agenda and shall not be proposed by means of an extemporaneous (unscheduled) motion.

The reason for the convening of the shareholders' meeting is indicated as a full re-

election of directors, and the date of assuming office is specified. After the re-election in the shareholders' meeting is completed, the date of assuming office shall not be changed via an extraordinary motion or other means at the same meeting.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. A shareholder(s) is (are) entitled to submit a proposal to urge the Company to promote public interests or to fulfill corporate social responsibility (CSR). In procedures, such a proposal should be limited to one item in accordance with Article 172-1 of the Company Act. The item(s) in excess of one item in the proposal shall not be covered into the proposal. In addition, the Board may have the proposals of shareholders that fall under the circumstances stated in Article 172-1 Paragraph 4 of the Company Act excluded from meeting discussions.

Prior to the book closure date before a regular shareholders meeting is held, the company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the place 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 regular shareholders meeting and take part in discussion of the proposal.

The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4: Shareholders may appoint a proxy to attend the shareholders' meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the company shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw a previous proxy.

After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in

person or to exercise his/her/its voting power in writing or by way of electronic transmission , a proxy rescission notice shall be filed with the Company 2 days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5: The shareholders meeting must be held at a location that is suitable and convenient for shareholders to attend. The meeting must not commence anytime earlier than 9AM or later than 3PM. Independent Directors' opinions must be fully taken into consideration when deciding the time and venue of the meeting.

Article 6: The Company shall specify check-in time and place and other notes in shareholders' meeting's notice.

The check-in time shall begin at least thirty minutes before the meeting starts. The check-in location shall have clear marking and sufficient and capable staff for handling the check-in process.

The Company shall prepare attendance book for shareholders to sign-in or shareholders will submit sign-in cards in substitute of sign-in.

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

Shareholders and their proxies (hereinafter referred to collectively as "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.

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 corporate is designated as a proxy, it can only appoint one representative to attend the shareholders meeting.

Article 7: The Chairman of the Board of Directors shall chair the shareholders' meeting when the Board of Directors convenes it. If the Chairman is on leave or unable to exercise powers, the meeting is to be chaired by the Vice Chairman. If there is no Vice Chairman appointed, the Vice Chairman is also on leave, or unable to exercise powers, the Chairman is to have one general director designated to exercise powers. If there is not a general director appointed, one director shall be designated to chair for the meeting. If the Chairman does not have a representative designated to exercise power, the representative is to be elected among the general directors or directors.

When a Managing Director or a director serves as the chairperson as referred to in the preceding paragraph, the Managing Director or the Director shall hold the position for six months or more and be one 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 chairperson. If the chair is the representative of a corporate director, the qualification requirements apply.

Shareholder meetings that are convened by the board of directors should be chaired by the Chairman and attended personally by more than half of the board and at least one independent director, with at least one representative from each functional committee present at the meeting. Attendance of the above participants shall be recorded in details in the shareholder meeting minutes.

For a shareholders' meeting convened by any other person having the convening right, he or she shall act as the chairperson of that meeting. However, if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among them.

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

Article 8: The Company shall continuously record from shareholder check-in to record shareholder check-in, the meeting proceeding and the entire election in both video and audio format.

The foregoing recording shall be kept for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 9: The attendance to the session of the Shareholders' Meeting shall be based on the quantity of outstanding shares being represented. The shares present should be counted according to the sign-in sheet or the attendance sign-in cards submitted, plus the shares of paper-based or electronic voting.

The chairperson shall announce the start of the meeting forthwith when the specified time is due and shall, meanwhile, announce the number of non-voting rights and the number of present shareholders.

However, if attendants represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the Chairman may announce to have the meeting aborted.

If the aforementioned two postponements still fail to meet the quorum, but the number of shares that represent more than one-third of the total number of issued shares are present, tentative resolutions may be resolved pursuant to Article 175-1 of the Company Act, and each shareholder will be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. Before the conclusion of the meeting, if the number of shares held by the shareholders present at the meeting has exceeded half of the total outstanding

shares, the chair may resubmit such tentative resolution to the shareholders meeting for voting pursuant to Article 174 of the Company Act.

Article 10: If the shareholders' meeting is convened by the board of directors, its agenda shall be determined by the board of directors. Relevant motions (including temporary motions and amendments to the original motion) shall be decided by vote on a case by case basis. The meeting shall be conducted in accordance with the scheduled agenda and shall not be changed without the 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 chairperson may not arbitrarily declare the adjournment of the meeting before the end of proceedings (including extempore motions). If the chairperson declares the meeting adjourned in violation of the rules of procedure, other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11: Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance card ID serial). The order of shareholders' comments will be determined by the meeting chairman.

If the attending shareholder submits the speech note but does not speak in the meeting, the shareholder will be deemed silent. If the shareholder's actual statement spoken in the meeting is different from those stated in the speech note, the actual statement will prevail.

Each shareholder can only speak twice, for 5 minutes each, about the same motion unless otherwise permitted by the chair. The chair can stop the shareholder from speaking if the statement violates the regulations or is beyond the scope of the motion.

When a shareholder is speaking in the meeting, other shareholders should not make any speech to intervene unless permitted by the chair and the person making the speech.

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

proposal.

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

Article 12: Votes in shareholders' meetings shall be calculated based on the number of shares. For the resolutions of the shareholders' meeting, the number of shares of the non-voting shareholders is not included in the total number of issued shares. A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.

In passing a resolution at a shareholders' meeting, shares for which voting right cannot be exercised as provided in the preceding paragraph shall not be counted in the number of votes of shareholders present at the meeting.

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

Article 13: Each shareholder shall have one vote per share except for the restricted shares, or non-voting shares under Article 179, paragraph 2 of the Company Act.

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

In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission under the preceding paragraph, his or her declaration of intention shall be served to the company two days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received shall prevail. A decision to revoke a previous decision is not subject to the foregoing sentence.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he or she shall, 2 days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his or her voting power, serve a separate declaration of intention to rescind his or her

previous declaration of intention made in exercising the voting power under the preceding paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his or her voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his or her behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.

Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act and the Company's Articles of Incorporation, be adopted by a majority vote of the shareholders present. 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 chairperson 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.

Scrutineers and vote counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all scrutineers shall be shareholders of the Company.

The vote counting process of the shareholder's balloting or election should be held openly at the meeting venue. The balloting result should be announced immediately at the meeting, including statistical weights, and it should be documented for record.

Article 14: Where a director(s) is (are) elected in a shareholders' meeting, the election process shall be duly carried out exactly in accordance with the election rules enacted by the Company and the election outcome shall be announced on-the-spot, including the list of elected directors, number of the election powers they win, list of candidates unsuccessful in the election and number of the election powers they win. Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 15: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of within twenty days after

the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.

The Company may distribute the meeting minutes as described in the preceding paragraph by entering the same to the Market Observation Post System for public announcement.

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 director. The minutes shall be kept persistently throughout the life of the Company.

Article 16: The Company must have the statistics of the number of shares by soliciting and by proxy prepared in the prescribed format and has it disclosed openly at the meeting venue on the meeting date.

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

Article 17: The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.

The chairperson may direct the inspectors or security personnel to help maintain order at the meeting place. The pickets or security personnel shall wear armbands with the word "Picket" when maintaining order.

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 chairperson may stop the shareholder from so doing.

If the shareholder violates the rules of procedures and defies the chairperson's instruction, and obstructs the proceedings and refuses to stop, the chairperson may direct the pickets or security personnel to escort the shareholder out of the venue.

Article 18: The chairman may announce breaks during the meeting. In case of any event of force majeure, the chairman may rule to suspend the meeting and announce the time at which to continue the meeting depending on the situation.

Before the completion of agendas (including extraordinary motions) of the shareholders' meeting, if the meeting venue is not available for continued use, the shareholders' meeting may decide to seek a new venue to resume the meeting.

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

Article 19: These rules shall take effect once approved during a shareholder meeting. The same applies to all subsequent revisions.

Appendix 11

Regulations Governing the Election of Directors of China Chemical & Pharmaceutical Co., Ltd.

Amended in the shareholders' regular meeting convened on May 21, 2021

Article 1: In order to elect directors fairly and publicly, the Rules are formulated in accordance with Article 21 and Article 41 of "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".

Article 2: Unless otherwise specified by law or the Articles of Incorporation, election of the Company's directors shall proceed according to the procedures stated here.

Article 3: Board composition shall be taken into consideration when electing director members. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All board directors shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- (1) Operating judgment.
- (2) Accounting and financial analysis.
- (3) Management capability.
- (4) Crisis management capabilities.
- (5) Industry knowledge.
- (6) International market viewpoint.
- (7) Leadership.
- (8) Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the company shall consider adjusting its composition based on the results of performance evaluation.

Article 4: Independent directors are subject to the eligibility criteria specified in Articles 2, 3 and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Election of independent directors is subject to comply with Articles 5, 6, 7, 8 and 9 of "Regulations Governing Appointment of Independent Directors and Compliance

Matters for Public Companies," and Article 24 of "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Article 5: Elections of directors of the company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election.

When the number of independent directors falls below that required under the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When all the independent directors are dismissed, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6: The election of the company's directors shall adopt the cumulative voting system, and each share shall have the same voting rights as the number of directors to be elected with all votes casted to one candidate or to several candidates.

Article 7: The Board of Directors shall produce ballots in quantities that match the number of directors to be elected, and apply weight before distributing them to shareholder meeting participants. Conference pass serial number can be printed on the ballot for identification purpose instead of voter's name.

Article 8: Votes are distinguished between independent and non-independent directors. Candidates who receive the highest number of votes are assigned the role of director followed by supervisor, until the number of director seats mentioned in the Articles of Incorporation are fully filled. If 2 or more candidates receive the same number of votes, they shall draw for the remaining seats available. The chairperson will draw on behalf of those who are absent during the meeting.

Article 9: The chair before the beginning of the election shall appoint a number of monitoring and counting personnel who are of a shareholder status to perform the respective duties of the vote. The ballot boxes shall be prepared by the board of directors and publicly checked by the monitoring personnel before voting commences.

Article 10: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the

director candidate list.

5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11: Ballots are to be counted openly immediately after voting. The chairperson will announce the outcome of the vote, including the names of elected directors and the number of votes received.

Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 12: The Company will send a notice of election to office to elected Directors.

Article 13: The “Regulations” shall be implemented after approval by a shareholders meeting. Subsequent amendments thereto shall be handled in the same manner.

Appendix 12

Asset Acquisition and Disposal Procedures of China Chemical & Pharmaceutical Co., Ltd

Approved by the Shareholders' Meeting on May 27th, 2019

- Article 1: The Asset Acquisition and Disposal Procedures (the Procedures) set forth herein serve as the guidelines for the Company to acquire or dispose assets.
- Article 2: These procedures are formulated in accordance with Article 36-1 of the Securities and Exchange Act and "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
- Article 3: The scope of assets defined in the Guidelines is as follows:
1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository 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 (including receivables, foreign exchange purchase discount and loans, and delinquent loans) of financial institutions.
 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 contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) 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 Institution 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 important assets
- Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide this Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prudently assess own professional competencies, practical experience, and independence prior to undertaking assignments.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 5: The total amounts of the real property not oriented to use for business operations or negotiable securities the Company and its subsidiaries are allowed to procure and the limitations for investment in the individual negotiable securities are, respectively, enumerated below:

The Company:

1. The total amount of the real property not oriented for the use of business operations and the assets as the right to use the same shall not exceed 20% of the Company's net worth as the maximum limit.
2. The total of investment in the long-term and short-term negotiable securities shall not exceed 90% of the Company's net worth.
3. The limitation of investment into the individual negotiable securities shall not

exceed 50% of the Company's net worth.

Each Subsidiaries:

1. The total amounts of the real property not oriented for use of business operations and the assets as the right to use the same shall not exceed 10% of the Company's net worth as the maximum limit.
2. The total of investment in the long-term and short-term negotiable securities shall not exceed 90% of the Company's net worth.
3. The limitation of investment into the individual negotiable securities shall not exceed 50% of the Company's net worth.

Related party and subsidiaries: It should be recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

The term "net worth" as set forth herein denotes the equity attributable to the owners of the parent company as shown through the balance sheet of the most recent term as defined under the Regulations Governing the Preparation of the Financial Reports by Securities Issuers.

Article 6: Appraisal and Work Procedure for Acquisition or Disposal of Assets

1. Acquisition or disposal of securities
 - (1) For acquisition or disposal of securities from secondary market or operating securities, the responsible unit shall submit items related to the cause, target, price reference, and evaluation of rationality to the competent authority.
 - (2) For acquisition or disposal of securities not from secondary market or operating securities, the accountable element shall submit items related to the cause, target, related trading party, transfer price, payment condition, price reference, and evaluation of rationality to the competent authority.
2. For acquisition or disposal of other assets, the responsible unit shall submit items related to the cause, target, related trading party, transfer price, payment condition, price reference, and evaluation of rationality to the competent authority.
3. The acquisition or disposal of the asset is to be processed in accordance with the relevant provisions of the Company's internal control system.

Article 7: Procedure for Determining Conditions of Transaction:

1. Determination method and reference basis for acquisition or disposal of asset price:
 - (1) Acquisition or disposal of securities:
 1. When securities are traded at secondary market or operating securities, prices shall be determined by the market price of securities.
 2. If securities acquired or disposed are not from secondary market or operating securities, prices shall be determined by referring to net

value per share, profitability, future development potential and reference of transaction price at that time.

- (2) When real estate or equipment is acquired or disposed, prices shall be decided through comparison, negotiation, tendering or other methods:
2. The responsible unit shall make a decision within the scope of authorization over assets to be acquired or disposed of:
 - (1) Acquisition or disposal of securities:
 1. A case of acquisition or disposal of investment in the long-term negotiable securities shall be approved by the Chairman where the amount per case or per day is below NT\$30 million and shall be submitted to the Audit Committee for consent by more than one-second of the total Committee members and be further duly resolved in the Board of Directors beforehand in case the amount is more than NT\$30 million.
 2. A case of acquisition or disposal of investment in the short-term negotiable securities as stocks, bonds, corporate bonds, financial bonds, recommendation-based negotiable securities, the deposit receipt certificates (DRC). subscription to (sales) of warrants, beneficiary securities, assets-based securities and such short-term idle funds shall be approved by the Chairman beforehand where the amount per case or per day is below NT\$30 million and shall be submitted to the Audit Committee for consent by more than one-second of the total Committee members and be further duly resolved in the Board of Directors beforehand in case the amount is more than NT\$30 million.
 - (2) Acquisition and disposal of property, equipment, or right-of-use assets:
 1. If the amount of realty or its right to use assets is less than NT\$50 millions, they shall be submitted to the Chairman for approval. If the amount exceeds NT\$50 millions, they shall also be submitted to the Audit Committee for approval by more than one-half of all the members and submitted to the board of directors for approval.
 2. If the amount of equipment or its right to use assets is less than NT\$30 millions, they shall be submitted to the Chairman for approval. If the amount exceeds NT\$30 millions, they shall also be submitted to the Audit Committee for approval by more than one-half of all the members and submitted to the board of directors for approval.

Article 8: Where the Company acquires or disposes of assets, the Company shall retain an expert(s) to issue a report(s) based on the categories of the assets the provisions as enumerated below:

1. In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%)

of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a professional appraiser and comply with the provisions below, except for 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 its right-of-use assets held for business use.

(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 perform the appraisal in accordance with the provisions of Standard of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and 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) Where a professional valuation is used, the valuer's report shall be dated no further than 3 months from the contract date. However, if it is subject to the announced present value of the same period and that is not more than six months away, an opinion can be issued by the original appraiser.
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.

2. The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company's most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the

paid-in capital or NTD300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. The CPA that needs to adopt the report of an expert shall have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 published by the Research and Development Foundation. However, if the securities are publicly quoted in the market or meets the following requirements, the company may not obtain financial statements and consult the accountant for opinions.

- (1) An establishment according to law or an establishment through offering to obtain negotiable securities with investment in cash and the rights demonstrated with the negotiable securities so obtained shall be commensurate with the proportion of the capital contribution.
- (2) Securities are acquired by subscribing to a cash issue at face value, and that the cash issue has been organized by the securities issuer in compliance with law.
- (3) Participation in subscription to the negotiable securities issued in the capital increase through cash injection in a company 100% invested either directly or indirectly or the negotiable securities issued in the capital increase through cash injection amidst inter-participation and inter-subscription among subsidiary (ies) in 100% holding.
- (4) The security in question is traded over the Taiwan Stock Exchange Corporation (TWSE), Taipei Exchange (TPEX), or the Emerging Stock Market.
- (5) The security in question is a domestic government bond or a repurchase/resale agreement.
- (6) Public offering funds.
- (7) Acquisition or disposal of stocks through the Regulations of Procurement through Tender with the TWSE(TPEX) listed stocks with the Taiwan Stock Exchange Corporation or GreTai Securities Market (hereinafter referred to as "GTSM") (Over-The-Counter).
- (8) Participation in a publicly listed company its capital increase through cash injection to subscribe to its shares or subscribe to corporate bonds (including financial bonds) through domestic subscription where the negotiable securities so obtained are not negotiable securities in private placement.
- (9) In accordance with the provisions set forth under Paragraph 1, Article 11 of the Securities Investment Trust and Consulting Act, to subscribe to the fund of domestic private placement before the establishment of the fund; or to subscribe to, buy back funds of domestic private placements where the trust contract already expressly declares the investment strategy.

Except for securities trust transactions where the holdings are not offset for the positions of the relevant commodities, it shall be exactly same as the terms of the scope of investment for public fund offerings.

3. For the Company's acquisition or disposal of assets by the court auction process, the supporting documents issued by the court can be used instead of the appraisal report or CPA's opinions.
4. 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; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 8-1: The transactions amount in the Paragraph 1, 2, 4 of the preceding Article should be calculated in accordance with Article 13 Paragraph 2. Also, the alleged "within one year" meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA's opinions acquired in accordance with the regulations.

Article 9: Related Party Transactions:

1. The company, when acquiring or disposing of its assets with a related party, shall not only adhere to article 8, article 8-1 and the provision-specified relevant resolution procedure, evaluating transaction term rationality and related matters, and if the transaction amount reaches 10% or higher of the company's total assets, it shall also adhere to the preceding section's stipulations to obtain a professional appraiser issued appraisal report or a CPA's opinion. The calculation of the transaction amount referred to above should be processed in accordance with Article 8-1.
The legal form and the real relationship should be considered in determining whether the counterparty is a related party.
2. Where the Company acquires or disposes of real estate or its right-to-use assets from its related party, or other assets other than real estate or its right-to-use assets acquired or disposed of with its related party and the transaction amount amounts to 20% of the company's paid-in capital, 10% of its total assets or more than NT\$300 millions, in addition to Sale and purchase in domestic bonds, bonds subject to buy-back or sell-back conditions, applications for purchase or buy-back domestic securities issued by domestic securities investment trust enterprise, the following information should be submitted to the Audit Committee with the consent of more than one-half of

all members and submitted to the board of directors for approval before signing a transaction contract and paying the amount.

- (1) The purpose, necessity, and expected benefits of the acquisition or disposal of assets.
- (2) The reasons for selecting the related party as the counterparty.
- (3) 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 Paragraph 3, 4, 5 of this Article.
- (4) The matters of the related party's original acquisition date and price, counterparty, and the relationship with the Company and the related party.
- (5) Expected monthly cash income and expense statement within one year from the contracted month, and assessing the necessity of the transactions and the reasonableness of the funds application
- (6) Obtain an appraisal report issued by a professional appraiser in accordance with the provisions referred to above or a CPA's opinion.
- (7) The restrictions and other important stipulations of the transaction.

The transaction amount referred to above is calculated in accordance with Article 13 Paragraph 2, and the so-called within one year is the year prior to the date of the event; also, the portion that has been submitted under the Procedures to the Board of Directors and Audit Committee for approval needs not be included for calculation.

In case of a following transaction by and between the Company and its parent company, subsidiary or a subsidiary where the Company holds 100% outstanding shares or total capital either directly or indirectly, the Board of Directors may authorize the Chairman to go ahead within the specified limit beforehand in accordance with Paragraph 2, Article 7. Subsequently afterwards, that issue shall be submitted to the Audit Committee in a most recent meeting for acknowledgement, retrospectively, through consent with one-second majority vote before being submitted to the most recent meeting to be convened by the Board of Directors for acknowledgment, retrospectively.

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
 - (2) Acquisition or disposal of real property or right-of-use assets thereof held for business use.
3. Where the Company acquires real property or assets as the right to use the same from a related party, the Company shall duly assess the rationality of the transaction costs based on the method(s) below (Where the land and building are purchased or leased with the same target in consolidation, the costs for the

land and the building shall be assessed for the transaction costs in any one method among those enumerated below):

- (1) Based on the related party transaction price plus the necessary capital interest and the cost of the buyer The so-called necessary capital interest cost is calculated in accordance with the weighted average interest rate of the loans in the year the assets are acquired by the Company; however, it may not be higher than the non-financial industry maximum loan interest rate as announced by the Ministry of Finance.
 - (2) If the related party has the underlying subject used as collateral for a loan from financial institutions, the financial institutions are to assess the gross lending value of the subject matter. However, the actual accumulated lending value of the subject matter granted by the financial institutions should reach over 70% of the assessed gross lending value for a lending period over one year. However, it is not applicable if the financial institution and the counterparty are related to one another.
4. When acquiring real property or its right-of-use assets from a related party, this Company shall assess the fairness of the transaction cost with respect to the previous paragraphs and ask a CPA for a review and specific opinion.
 5. Where the Company acquires real property or the assets as the right to use the same from a related party and where one among the facts as enumerated below is met, the provisions set forth under in the two preceding Paragraphs are exempted while the Company shall still duly handle them in accordance with Paragraph 2.
 - (1)The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (2)Related party's contracting for the acquisition of real estate or its right-of-use assets is over five years from the date of the trade contract signed.
 - (3)The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - (4)The real property right-of-use assets for business use are acquired by the company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
 6. When results of the evaluation performed as required by Paragraph 3 hereunder in the acquisition of real estate from a related party are consistently below the transaction price, the requirements in Paragraph 7 shall be followed. However, as a result due to the following circumstances and with the objective evidence presented and an appraisal report collected from the

professional real estate appraiser and a reasonable opinion issued by the CPAs, it is not subject to the limitations:

- (1) Related party that has obtained prime land or rental land for construction must submit the proof of complying with the following conditions:
 1. The prime land is assessed in accordance with the methods referred to above. House is assessed in accordance with the sum of the construction costs and a reasonable profit exceeding the actual transaction price. The term “reasonable construction profit” is based on the average gross profit rate in the last three years of the related party’s construction department or the latest gross profit rate of the construction industry 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.
 - (2) 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.
 - (3) Completed transactions involving neighboring or closely valued parcels of land in the paragraph (1), (2) 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.
7. 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 the Paragraph 3, 4, 5 and 6 of this Article are uniformly lower than the transaction price, the following steps shall be taken:
- (1) A special reserve shall be set aside with respect to paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the transaction price and the appraised cost of real property or its right-of-use assets, without being distributed or used for capital increase or issuance of bonus shares. If the investors that have an investment in the Company

valued in accordance with the Equity Method are public companies, a special reserve should be appropriated proportionally to the appropriated amount in accordance with Article 41 Paragraph 1 of the Securities and Exchange Act. When setting aside a special reserve under the preceding paragraph, the Company shall not disburse the special reserve until the value of assets purchased or leased at a higher price has been recognized as a loss for devaluation or disposed of, or the lease of such assets has been terminated; or appropriate compensation has been made; or restoration as is completed; or other evidence confirms their fairness, with the approval of Financial Supervisory Commission.

- (2) The independent director members of the audit committee shall have it handled in accordance with Article 218 of the Company Act.
- (3) The results of handling according to the (1), (2) shall be reported to the meeting of shareholders, and the details of transaction shall be disclosed in the annual report and the prospectus.

With acquiring real property or its right-of-use assets from a related party, this Company shall comply with the preceding (1), (2), (3), if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 10: Acquisition or disposal of membership cards or intangible assets or claims of financial institutions.

1. If the amount of intangible assets or right-of-use assets or memberships is less than NT\$5 millions, they shall be submitted to the Chairman for approval. If the amount exceeds NT\$5 millions, they shall also be submitted to the Audit Committee for approval by more than one-half of all the members and submitted to the board of directors for approval.
2. The company principally does not engage in derivative product transactions, and when desiring to engage in derivative product trading thereafter, it shall be presented to the audit committee on the whole will present it to the management board for approval before formulating an evaluation and the operating procedure.

Article 11: Engaging in derivative product transactions:

The company principally does not engage in derivative product transactions and when desiring to engage in derivative product trading thereafter, it shall be presented to the audit committee for the consent by over one-half of the entire members on the whole will present it to the management board for approval before formulating an evaluation and operating procedure.

Article 12: Corporate merger, spins-off, acquisition, and assignment of shares

1. The company, when processing merger, subdivision, buyout, share selloff, shall retain a CPA, legal counsel or securities underwriter to express whose

opinion in the rationality of the share swap by percentage, buyout price or shareholders' cash distribution or other assets, which is presented to the audit committee for the consent by over one-half of the entire members and also present it to the management board for discussion and motioning in favor. The opinion from the experts on rationality as mentioned could be waived for the merger between the company and a subsidiary where the company directly or indirectly holds 100% of its stake or total capital, or between subsidiaries where the company directly or indirectly holds 100% of their stake or total capital.

2. A public document to shareholders detailing important contractual content and matters relevant to the merger, demerger or acquisition shall be prepared prior to the shareholders' meeting and be included along with the expert opinion under the previous paragraph and notice of the shareholders' meeting for reference in deciding whether to approve the merger, demerger or acquisition. However, the corporate merger, spins-off, or acquisition that does not have to be resolved in the shareholders' meeting according to other governing regulations is not subject to the requirement. Either party, when unable to convene a shareholders' meeting, to vote on resolutions due to a lack of quorum or for other legal restrictions, or if the resolution proposals were vetoed by the shareholders, it shall promptly convene an open presentation to explain the cause why it occurred, the subsequent processing work and the expectant date for convening the shareholders' meeting.
3. All individuals participated or privy of the company's merger, subdivision, buyout or share selloff plans, shall issue a written confidentiality promissory note and before the information is made public, may not divulge the contents of the plan to the outside, nor may trade on their own or using another person's name in trading company stocks and other marketable securities with equity nature owned by relevant companies involved in the merger, subdivision, buyout or share selloff.
4. The share swap by percentage or the buyout price, except when under the circumstances below, may bypass any willful change, and shall also define changeable circumstances defined in the merger, subdivision, buyout or share selloff contract:
 - (1) Process cash capital increase and issue convertible bonds, stock dividends, bonds with stock option, preferred shares with stock option, stock options certificate, and other equity-type securities.
 - (2) Disposal of major assets that affects the Company's financial operations
 - (3) The occurrence of significant disasters and major changes in technology that affects the Company's shareholders' equity or securities price.

- (4) The adjustment of treasury stock repurchased lawfully by any company that participates in the merger, spins-off, acquisition, or assignment of shares.
 - (5) Changes in the entity or number of companies involved in the merger, spins-off, acquisition, or assignment of shares.
 - (6) The other conditions for tolerable changes are defined in the contract and have been publicly disclosed.
5. The Company that participates in the merger, spins-off, acquisition, or assignment of shares should have the rights and obligations in the merger, spins-off, acquisition, or assignment of shares detailed in the contract, including the following information:
 - (1) Event of default.
 - (2) The principle for the process of the equity-type securities issued or treasury stock repurchased by the discontinued or spins-off company due to a merger
 - (3) The treasury stock to be repurchased lawfully by the involving company and the principle for its process after the base date for the calculation of stock swap ratio.
 - (4) The process for the changes in the entity and the number of companies involved.
 - (5) The expected progress of the project and the schedule of completion.
 - (6) The process of convening a shareholders' meeting when the project is not completed on time.
6. After public disclosure of the information, if any company participating in the merger, demerger, acquisition or share transfer intends further to carry out a merger, demerger, acquisition or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition or share transfer, except where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, may be exempted from calling another shareholders' meeting to resolve the matter anew.
7. For the company that is not a public company involved in a merger, spins-off, acquisition, or assignment of shares, it should have a contract signed with the Company in accordance with paragraph 3, paragraph 6, and paragraph 10 of this article.
8. For the merger, spins-off, or acquisition of a company, unless otherwise required by law or due to special factors must report to the FSC in advance, the board meeting and the shareholders' meeting should be convened in the

same day to resolve the matters related to the corporate merger, spins-off, and acquisition. For the assignment of shares of a company, unless otherwise required by law or due to special factors must report to the FSC in advance, the board meeting should be convened in the same day. For the merger, spins-off, acquisition, or assignment of shares of a listed company or the company with stock traded at the securities business premise, the following information should be composed in writing and reserved for five years for inspection:

- (1) Personnel information: including the title, name, and identity card number (or passport number for foreigners) of the personnel involved in a merger, spins-off, acquisition, or assignment of shares, or, the plan executor.
 - (2) Date of significant events: including the date of signing a letter of intent or memorandum, commissioning a financial or legal adviser, signing a contract, and convening a board meeting.
 - (3) Important documents and minutes of meeting: including the documents of the merger, spins-off, acquisition, or assignment of shares plans, letters of intent or memorandum, important contracts, minutes of board meeting.
9. For the merger, spins-off, acquisition, or assignment of shares of a listed company or the company with stock traded at the securities business premise, the Company should have the information stated in Paragraph 1 and Paragraph 2 in the Section referred to above reported on-line to the FSC for records in the designated format within 2 days after the resolution reached by the Board of Directors.
10. 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 in paragraph 8 and paragraph 9.

Article 13: Information Disclosure Procedures:

1. The Company's acquisition or disposal of assets in any of the following circumstances. It should be announced and reported in the FSC website within two days from the date of the event in accordance with the nature and the prescribed format:
 - (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; However, domestic bond trades, RP and RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises is not subject to such requirements.

- (2) Process merger, spins-off, acquisition, or assignment of shares.
 - (3) Engaged in derivatives transaction with a loss up to the limit of the total or individual contract amount regulated in this procedure.
 - (4) The acquisition or disposal of assets that are operating equipment or its right-of-use assets and the counterparty is not a related party; also, the trade amount does not exceed NT\$500 million.
 - (5) Acquisition of real property under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and redistribution of housing units, joint construction and redistribution of ownership percentages, or joint construction and separate sales from an unrelated party in which the Company expects to invest up to NT\$500 million.
 - (6) The assets trade, financial institution's disposal of claims or the investments engaged in Mainland China other than the transactions stated in the five paragraphs referred to above are for an amount exceeding 20% of the paid-in capital or NTD300 million. However, the following conditions are not subject to this restriction:
 1. Trading of domestic government bonds..
 2. The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises
- Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
2. The transaction amount referred to above is calculated in accordance with the following methods.
 - (1) The amount of any individual transaction.
 - (2) The cumulative amount of the acquisition or disposal of the same underlying subject with the same counterparty within one 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.

“Within the previous year” as claimed in the preceding paragraph refers to the one year before the date of acquisition. The part disclosed according to these Procedures will be exempted.

Date of event: Refers to the transaction contract signing date, payment date, commission Closing Date, transfer date, the Board resolutions date or the date the counterparty and transaction amount sufficiently determined whichever is earlier or sooner.

For investments that are subject to the approval of the competent authorities, one of the dates of event referred to above or the date of approval by the competent authorities whichever is earlier or sooner shall prevail.

3. The Company should have the derivative transactions of the Company and the non-public domestic subsidiaries up to the end of the last month published in the FSC website monthly in accordance with the prescribed format before the 10th day of each month.
4. When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all the items should be published and reported again within 2 days from the date of learning of the discrepancy.
5. The Company should have the contract, minutes of meeting, book, appraisal reports, the opinions of CPAs, attorneys, or underwriters related to the acquisition or disposal of assets ready at the Company's premise for at least 5 years unless otherwise provided by law.
6. The company, when encountering one of the following circumstances on announced, declared transactions per the regulations, shall file for an announcement and declaration of relevant information on the FSC-specified information declaration website, within two days from the very day that the fact occurs.
 - (1) The originally signed trade contract is modified, terminated, or revoked.
 - (2) Merger, spins-off, acquisition, or assignment of shares is not completed in accordance with the deadline stated in the contract signed.
 - (3) The initially announced declaration content has been changed.

Article 14: Other matters

1. The Company is to have the acquisition or disposal of assets of the non-public subsidiary announced and reported in accordance with Article 13 on behalf of the non-public subsidiary.

The paid-in capital or total asset of this Company shall apply to subsidiaries in the preceding paragraph required to report acquisition or disposal of assets based on the paid-in capital or total asset under paragraph 1 of Article 13.

The requirement of 10% of the total assets is based on the total assets in the latest proprietary or independent financial statements governed by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-

in capital under the Article 8, Article 9, Article 13 and this Article, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

2. The company, in acquiring or disposing of assets of a re-invested subsidiary, shall adhere to the procedure stipulations to formulate a “Regulations Governing The Acquisition And Disposal Of Assets,” which upon going through the motions of the subsidiary’s management board, is to have a copy forwarded to the various auditors and also declared before the shareholders’ meeting seeking for consent and the same also applies to an amendment. The company, or its subsidiaries, shall monitor the circumstances of its acquisition or disposal of assets, where the supervision and management shall be sought per the stipulations set forth under the company’s relevant regulations and various subsidiaries’ “Regulations Governing The Acquisition And Disposal Of Assets.”
3. If relevant personnel should breach the processing procedure and its relevant legal/regulatory stipulations, the company may, depending on the severity, issue a warning, demerit, demotion, suspension, pay reduction or other penalty actions and which is also retained as part of the internal review matters.
4. The portion of matters not explicitly stated in the procedure shall be sought per the relevant laws and regulations and pertinent company chapters and regulations. If the competent government authorities amend the initially issued directive on the Criteria for Processing the Acquisition or Disposal of Assets, the company shall comply with the new directive’s regulations.
5. Enactment or amendment to these Procedures shall be approved by more than one-second majority of the Audit Committee members and shall be further duly resolved in the Board of Directors before being submitted to the shareholders’ meeting to be granted a pass.
6. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The processing procedure’s Paragraph 2 of Article 7, Paragraph 2 of Article 9, Paragraph 4, Article 10, Article 11, Paragraph 1 of Article 12 may be commensurate.
7. The terms "all audit committee members" in Paragraph 6 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Appendix 13

List of shares held by directors of China Chemical & Pharmaceutical Co., Ltd.

Title	Name	As of book closure date on March 28, 2022		Legal representative
		Number of shares held	Shareholding ratio	
Chairman	Chunghwa Chemical Synthesis & Biotech Co., Ltd.	42,053,137	14.11%	Wang Hsieh Yi-Chen
Director	Wang Ming-Ning Memorial Foundation	10,432,912	3.50%	Wang, Hou-Jie
Independent Director	Chen, Hung-Shou	0	0.00%	
Independent Director	Chow, Dah-Jen	0	0.00%	
Total Directors' shareholding		52,486,049	17.61%	

Remark: 1. At the moment, the Company holds paid-in capital amounting to NT\$2,980,810,800 in total, at NT\$10 par value, at the total of 298,081,080 outstanding shares.

2. Pursuant to "Implementation Rules Governing Public Companies for Shareholding Ratios and Audit for Their Directors," the standards/criteria for shareholding of all directors of the Company:

The percentage of shares held by all directors to the aggregate total of outstanding shares: 5.0322%

The minimum shareholding of all the board directors: 12,000,000 shares.

3. The Company has established the audit committee. The shareholding of supervisors does not apply.

4. The number of shares held by all directors is already up to the statutory standard.

5. Independent Director: Mr. Chou, Yen Peng passed away on August 6, 2021 .

Appendix 14

Effect on the company's operating performance, EPS, and shareholder ROI by this stock grant

Item		Year	Year 2022 (Forecast)
The paid-in capital at the beginning of the term			NTD 2,980,811 thousand
Stock Dividend in the current period	Cash dividend per share		NT\$ 0.9
	The number of shares to be allocated per share in the conversion of the Company's earnings into capital increase.		0 share
	Number of shares allotted for each share held under the capitalization of additional paid-in capital		0 share
Changes in business performance	Operating profit		Not applicable (Note)
	Proportion of change in the operating income from the same period of the previous year (%)		
	Income after taxation		
	Proportion of change in the after-tax net profit from the same period of the previous year (%)		
	Earnings per share		
	Proportion of change in EPS from the same period of the previous year (%)		
	Annual average return of investment (the reciprocal of the annual average Party AE ratio)		
Pro forma EPS and P/E ratio	If the retained earnings for capitalization into new shares were switched to payment of a cash dividend in the full amount	Pro forma earnings per share (EPS)	Not applicable (Note)
		Pro forma annual average ROI	
	If there was no capitalization of additional paid-in capital	Pro forma earnings per share (EPS)	
		Pro forma annual average ROI	
	Where the capital reserve is not processed and where the earnings are granted in cash dividend instead of converting into capital increase	Pro forma earnings per share (EPS)	
		Pro forma annual average ROI	

Note: Not applicable according to law, the Company is not required to disclose to the public financial forecast in the year 2022.