

Stock Code: 1717

Eternal Materials Co., Ltd.

**2020 Annual Meeting of Shareholders
Meeting Handbook**

Date: June 18, 2020

**Place: No. 22, Changxing Road, Luzhu District,
Kaohsiung City
(Art Center of the Lu-Chu Plant)**

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Eternal Materials Co., Ltd.

Procedure for the 2020 Annual Meeting of Shareholders

Time: 9:30 a.m., June 18, 2020 (Thursday)

Place: No. 22, Changxing Road, Luzhu District, Kaohsiung City
(Art Center of the Lu-Chu Plant)

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Management Presentation (Company Reports)
- IV. Proposals
- V. Discussions
- VI. Election Matters
- VII. Questions and Motions
- VIII. Adjournment

Eternal Materials Co., Ltd.
Agenda of the 2020 Annual Meeting of Shareholders

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation (Company Reports)

Report 1. 2019 Business Report

Report 2. Audit Committee's Review Report on 2019 Financial Statements

Report 3. 2019 Endorsements/Guarantees for Others

Report 4. Distribution of 2019 Compensation for Directors of the Board and
Employees

Report 5. Issuance of Corporate Bond

IV. Proposals

Proposal 1. 2019 Financial Statements

Proposal 2. 2019 Earning Distribution

V. Discussions

Proposal 1. Amendments to the Procedures for Lending Funds to others

Proposal 2. Amendments to the Procedures for Endorsement and Guarantee

Proposal 3. Amendments to the Rules of Procedure for Shareholders' Meetings

VI. Election Matters

Election of Independent Director

VII. Questions and Motions

VIII. Adjournment

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation (Company Reports)

Report 1. 2019 Business Report

Explanation: For the Company's 2019 Business Report, refer to #page8-11# of the Handbook (Attachment 1).

Report 2. Audit Committee's Review Report on 2019 Financial Statements

Explanation: For the Audit Committee's Review Report, refer to #page12# of the Handbook (Attachment 2).

Report 3. 2019 Endorsement and Guarantee for Others

Explanation: As of 2019, the amount of Endorsement and Guarantees made by the Company for others is as follows:

Company Name	Currency	Amount	Relationship with the Company
Eternal Specialty Materials (Suzhou) Co., Ltd.	RMB	20 million	100% of shares held indirectly
Eternal (China) Investment Co., Ltd.	USD	7 million	100% of shares held indirectly
Eternal Holdings Inc.	USD	55 million	100% of shares held indirectly
Eternal Technology Corp.	USD	10 million	100% of shares held indirectly
Nikko-Materials Co., Ltd.	JPY	500 million	100% of shares held indirectly
Eternal Polymer Co., Ltd.	USD	23 million	100% of shares held indirectly
	RMB	20 million	
Eternal Chemical (Tianjin) Co., Ltd.	USD	9 million	100% of shares held indirectly
	RMB	150 million	
Eternal Sun A. (Suzhou) Co., Ltd.	USD	3.6 million	60% of shares held indirectly
Elga Europe S.r.l.	EUR	5 million	Direct shareholding 72.68% Indirect shareholding 22.32%
Eternal Materials (Malaysia) Sdn. Bhd.	USD	52 million	90% of shares held directly
	MYR	328 million	

Report 4. Distribution of 2019 Compensation for Directors of the Board and Employees

Explanation:

- I. The compensation for Directors of the Board and Employees should be distributed in accordance with the Company Act and the Articles of Incorporation.
- II. NT\$15,325,000 and NT\$122,000,000 have been accrued for the compensation for Directors of the Board and for employees in 2019, respectively.
- III. According to the Articles of Incorporation, the compensation for Directors of the Board should be distributed based on the accrued amount, NT\$15,325,000 (0.5691% of profit in 2019), upon approval of the Chairman.
- IV. The compensation for employees should be distributed at 4.5% of profit in 2019, NT\$121,176,608, NT\$823,392 less than the accrued amount. The difference will be recognized as the changes in accounting estimates in the following year's profit or loss.
- V. The compensation for Directors of the Board and employees in 2019 should be distributed in cash.
- VI. The distribution of 2019 compensation for Directors of the Board and employees was reviewed by the Remuneration Committee on March 23, 2020 and approved by the Board of Directors on March 27, 2020.

Report 5: Report on Issuance of Corporate Bond.

Explanation:

- I. Proceed in accordance with Article 246 of the Company Act.
- II. In order to repay the bank notes of the Company, the Company was approved to issue NT\$3 billion of guaranteed ordinary corporate bonds by the letter dated on 108.10.30, Securities Counter Debt No. 10800118991 issued by Taipei Exchange.
- III. For detailed issuance regulation, please refer to #page13-14# of the Handbook (Attachment 3).

IV. Proposals

Proposal 1. 2019 Financial Statements (Proposed by the Board of Directors)

Explanation:

- I. The Company's 2019 financial statements, including the business report, balance sheets, and statements of comprehensive income, changes in equity, and cash flows, were reviewed and review report was prepared by the Audit Committee on March 23, 2020. The financial statements were approved by the Board of Directors on March 27, 2020.
- II. For the above-mentioned Business Report, refer to #page8-11# of the Handbook (Attachment 1). For the standalone financial statements and consolidated financial statements and independent auditor's reports, refer to #page15-34# of the Handbook (Attachments 4 and 5).
- III. Please acknowledge the proposal.

Resolution:

Proposal 2. 2019 Earnings Distribution (Proposed by the Board of Directors)

Explanation:

- I. Cash dividends at NT\$1.4/share should be distributed to shareholders. For the 2019 Earnings Distribution Table, refer to #page35# of the Handbook (Attachment 6).
- II. Cash dividends should be rounded to nearest integer. Odd dividends should be transferred to the Employee Welfare Committee. Upon approval of the shareholders' meeting, the Chairman should be authorized to set the date of distribution separately.
- III. Please acknowledge the proposal.

Resolution:

V. Discussions

Proposal 1. Amendments to the Procedures for Lending Funds to Others (Proposed by the Board of Directors)

Explanation:

- I. Partial articles of the Procedures for Lending Funds to Others were amended according to the Letter No. 1080304826 of Financial Supervisory Commission issued on March 7, 2019.
- II. For the comparison table before and after the amendments, refer to #page36# of the Handbook (Attachment 7).
- III. Please resolve.

Resolution:

Proposal 2. Amendments to the Procedures for Endorsement and Guarantee (Proposed by the Board of Directors)

Explanation:

- I. Partial articles of the Procedures for Endorsement and Guarantee were amended according to the Letter No. 1080304826 issued by Financial Supervisory Commission on March 7, 2019.
- II. For the comparison table before and after the amendments, refer to #page37# of the Handbook (Attachment 8).
- III. Please resolve.

Resolution:

Proposal 3:Amendments to the Rules of Procedure for Shareholders' Meetings (Proposed by the Board of Directors)

Explanation:

- I. Partial articles of the Rules of Procedure for Shareholders' Meetings were amended according to the Letter No. 1080339900 issued by Financial Supervisory Commission on December 31, 2019.
- II. For the comparison table before and after the amendments, refer to #page38-41# of the Handbook (Attachment 9).
- III. Please resolve.

Resolution:

VI. Election Matters

Independent Director By-election (Proposed by the Board of Directors)

Explanation:

- I. Mr. Xu Ruiyuan, as an Independent Director of the Company, resigned on December 31, 2019. Three Independent Directors should be established in accordance with Article 12 of the Company's Articles of Incorporation, so it is planned to elect one Independent Director at the 2020 annual meeting of shareholders.
- II. The newly appointed Independent Director will take office immediately after being elected at the 2020 annual meeting of shareholders. The term of office will be the same as the current Directors until June 25, 2022.
- III. According to Articles of Incorporation and the Company Act, the nomination system should be adopted in the Independent Director by-election. The annual shareholders' meeting should select the Independent Director from the list of candidates for Independent Directors. For the list of candidates for Independent Directors, refer to #page42# of the Handbook (Attachment 10).
- IV. Please elect the new Independent Director

Results of Election:

VII. Questions and Motions

VIII. Adjournment

Attachment I

Business Report

Shareholders' trust and support to the Company and management team are highly appreciated in 2019, the US-China trade continued to affect the prosperity of the mainland region. Since mainland China is an important production and sales region of the Company, so the trade resulted in a decline in overall revenue compared with the previous year. However, benefiting from factors such as raw material prices, internal management optimization and other factors, the overall profit has grown significantly this year.

The year 2020 is still a challenging year. Although the US-China trade reached an agreement stage and Brexit ended, the international political and economic uncertainties have subsided slightly. But the COVID-19 pandemic broke out after the beginning of the year. As Taiwan and the mainland China have built a close relationship for a long time, the investment relations, industrial settlements, supply chains and trade exchanges will affect the cross-strait economy. In this regard, the Company will use its advantage to deploy existing production capacity in Taiwan, Europe, America, and Southeast Asia, continue stable production activities and market development, and seek growth opportunities amidst changes. The new ERP system has successfully completed the first phase of the launch in early 2020, and will be more able to meet the Group's globalization and growth goals and provide energy for management.

In addition, the Company will continue to uphold the corporate culture of law-abiding, trustworthy and ethical, attach importance to public security and environmental protection and fulfill its social responsibilities, and continue to contribute to ESG (environmental, social responsibility, corporate governance) to achieve sustainable management, and create value for shareholders, stakeholders and the public .

The operating results in 2019 are reported as follows:

I. 2019 Operating Results

(I) Implementation of the business plan

In 2019, consolidated net revenue of the Company was NT\$40.4 billion, a decrease of 6.78% from 2018. In terms of operating profit, net profit before tax was NT\$2.914 billion, an increase of 56.33% from the previous year; net profit after tax attributable to owners of the parent company was NT\$2.466 billion, with the earnings per share after tax at NT\$1.99.

(II) Implementation of the budget

As the Company did not disclose financial forecasts in 2019, the relevant information for implementation of the budget was unavailable.

(III) Analysis of receipts, expenditures, and profitability

1. Receipts and expenditures: Unit: NT\$1,000

Item	Amount in 2019
Operating revenue	40,363,238
Operating gross profit	7,856,953
Operating profit	2,335,050
Non-operating income and expenses	578,881
Net profit before tax	2,913,931
Net profit	2,428,081
Net comprehensive loss after tax	(945,873)
Total comprehensive income	1,482,208
Net profit attributable to owners of the parent company	2,466,356
Net profit attributable to non-controlling interests	(38,275)
Total comprehensive income attributable to owners of the parent company	1,531,715
Total comprehensive income attributable to non-controlling interests	(49,507)
Earnings per share (NT\$)	1.99

2. Profitability analysis: Unit: %

Item	Percentage
Return on assets (ROA)	5
Return on equity (ROE)	11
Ratio of net profit before tax to paid-in capital	23
Profit margin	6
Earnings per share (NT\$)	1.99

(IV) Research and development

1. Research and development results in 2019:

- (1) Membrane detection enzyme
- (2) Blood test enzyme
- (3) Silicone elastic microspheres
- (4) LCD 3D printing materials
- (5) Environmentally friendly CTP rinse-free photosensitive plate
- (6) Water-based photocurable resin for 3C plastic parts
- (7) Special polyester polyol for polyurethane hot melt adhesive
- (8) Acrylic PSA glue for polarizer protective stickers
- (9) Profile coated reactive polyurethane hot melt adhesive
- (10) Application technology of waterborne acrylic polyol dispersion in industrial baking paint

2. Future research and development:

- (1) 5G high-frequency materials
- (2) Bio-medical testing materials
- (3) Green energy/energy storage materials
- (4) Soft electronic materials
- (5) Semiconductor packaging materials
- (6) High performance engineering plastic materials
- (7) Silicon materials
- (8) Sustainable environmentally friendly materials

(V) Business policy and production and marketing strategy

1. The product structure focused on the development of high-end products, such as functional resins, rubber materials, and membrane materials required for industrial applications (including Coating, Electrical materials, Adhesive, Compound, Ink, Silicon materials etc.). The Company also accelerated the commercialization of New Products Development (NPD) and New Business Development (NBD) to obtain a higher market value.

2. Actively expand emerging markets such as Northeast Asia, ASEAN and India. It will be able to expand the sales promotion in the region after the completion of the construction and operation of the factory in Malaysia; Strengthen technology and market expansion for Japan and South Korea. At the same time, the Company has continued to strengthen cooperation with major international manufacturers in Asia to make the business growth more comprehensive and the product structure more diversified.

The Federal Reserve Board cut interest rates three times last year to combat recession. Global economic growth may slow down. The Chinese market has been hit hard by COVID-19 pandemic, which will have a short-term impact on the Company. Facing operational challenges, the Company will still adhere to the principles of stable operation, improve investment efficiency, optimize management efficiency, strengthen financial structure, and continue to invest in research and development to accelerate the research and development and commercialization of key materials for future market demand, and obtain and maintain competitive advantage.

Chairman: Kao, Kuo-Lun President: Mao, Hui-Kuan Accounting Supervisor: Su, Hui-Fang

Attachment 2

Eternal Materials Co., Ltd.
Audit Committee's Review Report

Approved.

The Company's 2019 business report, earnings distribution, financial statements, and consolidated financial statements submitted by the Board of Directors have been reviewed by the Audit Committee, and no irregularities were found. The review report is hereby presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2020 Annual Meeting of Shareholders

Eternal Materials Co., Ltd.
Convener of the Audit Committee:

March 27, 2020

Attachment 3

Regulation of the Company's 2019 Domestic Guaranteed Ordinary Corporate Bond

In order to repay the bank note, the Company completed the issuance of the NT\$3 billion of the first instalment of ordinary corporate bonds in 2019 on November 6, 2019.

- I. Bond Name: 2019 first secured ordinary corporate bond issued by Eternal Materials Co., Ltd. Hereinafter referred to as "the Company's Bond."
- II. Total issued amount: The total issued amount of the Company's Bond is NT\$3 billion.
- III. Face Value: The face value of the Company's Bond is NT\$10 million.
- IV. Issue price: issued in full denomination.
- V. Issue period: The issue period of the Company's Bond is 5 years. From 6 November 2019 to 6 November 2024.
- VI. Coupon rate: Issued at a fixed rate, the annual interest rate is 0.82%.
- VII. Issue coupon/interest rate: From the date of issue, the interest will be calculated once per year at the coupon rate and once per year. The payment of the principle and interest of the Company's Bond's shall be rounded to the nearest whole New Taiwan Dollar amount. The amount of interest shall be calculated by the Company. If the benefit date of Corporate Bond's principal and interest is on nonbusiness day of local bank, the extra interest shall not be calculated.
- VIII. Repayment of principle: Repayment once due
- IX. Bond Type: The bond is issued without physical form, and contact Taiwan Central Depository and Clearing Co., Ltd. (hereinafter referred to as "the collective insurance company") to register.
- X. Trustee: The trust department of Bank SinoPac is the creditor's trustee of the company's bond, and exercises the authority to check and supervise the Company's performance of corporate bond issuance on behalf of the creditors. The bondholders, whether subscribing for the Bonds at the time of issuance or buying halfway, agree to recognize the rights and obligations under the trust contract signed between SinoPac Holdings and the trustee and the Regulations and grant full powers on the matters of trust. Such authorization cannot be revoked halfway. The bondholders may check the contents of the trust contract at SinoPac Holdings or the Company's office at any time in given business hours.

- XI. Warranty Institution: The corporate bonds are provided by Bank of Taiwan Co., Ltd., E.SUN Commercial Bank Co., Ltd., Changhwa Commercial Bank Co., Ltd., and Shanghai Commercial Savings Bank Co., Ltd. as the joint guarantee bank in accordance with the joint appointment guarantee contract and the Execution of the corporate bond guarantee obligations Contract signed.
- XII. Institution serving as agent for payment of the principal and interest: The Company's bond entrusted the Bank of Taiwan Co., Ltd. Qianzhen Branch to act as an agent for debt service. When paying interest, the former bank branch of Bank of Taiwan Co., Ltd. withholds income tax in accordance with the provisions of the Income Tax Law. And transfer the payment of bond's principle and interest in accordance with the bondholders' registered name list provided by TDCC.
- XIII. Underwriting method: The Bonds are issued publicly through underwriters with E.SUN Bank as the lead underwriter.
- XIV. Notification: Matters that should be notified to the creditors of the company's bonds, unless otherwise provided by laws and regulations, will be registered at the Market Observation Post System (MOPS), and handled in accordance with the registered announcement information.
- XV. Target customer: Only to professional investors stipulated in the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds.
- XVI. Other Matters
- (I) The bonds may be freely traded, transferred, pledged, and provided with guarantees.
 - (II) If the principal and interest of this bond have not been redeemed since the date of payment in accordance with the Civil Law, the principal shall not be redeemed for more than 15 years and the interest shall not be redeemed for more than 5 years
 - (III) In order to meet the necessity of the circulation of the Company's bonds in the secondary market, the Company shall submit an application letter to the Counter Trading Center of Taipei Exchange for the Company's bonds for over-the-counter trading.
 - (IV) For matters not specified in these issuance measures, the relevant laws and regulations of the competent authority shall apply.

Attachment 4

INDEPENDENT AUDITORS' REPORT

Eternal Materials Co., Ltd.

Opinion

We have audited the accompanying standalone financial statements of Eternal Materials Co., Ltd. (the Company), which comprise the standalone balance sheets as of December 31, 2019 and 2018, the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the standalone financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph) the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2019 and 2018, and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. We conducted our audit of the financial statements for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company's standalone financial statements for the year ended December 31, 2019 are stated as follows:

Revenue Recognition

1. Description

Due to the industrial and economic downturn, the Company's sales revenue decreased compared to the previous year. However, sales revenue from the high performance materials department not only did not decrease significantly, the gross profit margin increased substantially. Thus, the main risk of revenue recognition of Eternal Materials Co., Ltd and its subsidiaries is whether the sale revenue from the high performance materials department actually occurred. Therefore, revenue recognition from the high performance materials department is deemed as a key audit matter.

2. The audit procedures we performed in response to the above key audit matter are the following:

- a. We understood the internal controls on revenue recognition of high performance materials department and tested their effectiveness; the internal controls cover the customer master file, ordering, shipping, accounting and receiving process.
- b. We obtained the customer master file data for major customers and verified the data for the registered responsible person, business category, and business address etc. using publicly available information, and we evaluated the reasonableness of credit limit relative to the company size.
- c. We evaluated the reasonableness of sales revenue, gross profit rate and transaction terms of major customers.
- d. We selected appropriate samples from the sales revenue receipts of the high performance materials department, examined the payment and goods delivery receipts, and verified that the payment receiver is the same as the transaction counterparty.
- e. We examined material subsequent events with respect to sales returns to verify that the sales transactions occurred before the balance sheet date.

Other Matter

The financial statements of some associates accounted for using the equity method were audited by other auditors. Therefore, our opinion on the amounts and disclosures of such investments included in the accompanying financial statements were based on the financial statements audited by other auditors. Such investments accounted for using the equity method amounted to NT\$764,646 thousand and NT\$713,896 thousand, both representing 2% of the Company's total assets as of December 31, 2019 and 2018, respectively, and the share of the profit of associates amounted to NT\$204,589 thousand and NT\$190,077 thousand, representing 13% and 20% of the Company's total comprehensive income for the year ended December 31, 2019 and 2018, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lee-Yuan Kuo and Chun-Chi Kung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 27, 2020

Notice to Readers

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

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

Eternal Materials Co., Ltd.

STANDALONE BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2019		December 31, 2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 366,261	1	\$ 266,244	1
Notes receivable, net (Notes 4 and 7)	280,413	1	382,064	1
Notes receivable from related parties, net (Notes 4, 7 and 27)	-	-	133	-
Accounts receivable, net (Notes 4, 5 and 7)	2,420,103	6	2,608,286	6
Accounts receivable from related parties, net (Notes 4, 5, 7 and 27)	839,763	2	909,174	2
Other receivables (Note 27)	608,187	1	619,801	1
Inventories (Notes 4, 5 and 8)	2,494,574	6	2,875,556	7
Non-current assets held for sale (Notes 4 and 9)	-	-	9,243	-
Other financial assets - current (Note 10)	-	-	14,830	-
Other current assets - others (Note 22)	<u>105,149</u>	-	<u>162,210</u>	-
Total current assets	<u>7,114,450</u>	<u>17</u>	<u>7,847,541</u>	<u>18</u>
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 11)	578,821	1	554,198	1
Investments accounted for using the equity method (Notes 4 and 12)	28,654,143	67	28,757,727	66
Property, plant and equipment (Notes 4 and 13)	6,184,393	14	6,034,560	14
Right-of-use assets (Notes 4 and 14)	47,027	-	-	-
Investment properties (Notes 4 and 15)	17,057	-	17,057	-
Intangible assets (Notes 4 and 16)	88,005	-	89,365	-
Deferred tax assets (Notes 4, 5 and 22)	254,700	1	260,998	1
Other noncurrent assets - others	<u>17,398</u>	-	<u>22,180</u>	-
Total noncurrent assets	<u>35,841,544</u>	<u>83</u>	<u>35,736,085</u>	<u>82</u>
TOTAL	<u>\$42,955,994</u>	<u>100</u>	<u>\$43,583,626</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 17)	\$ 2,038,640	5	\$ 1,974,614	5
Notes payable	1,531	-	23,519	-
Accounts payable (Note 27)	1,038,887	2	1,519,338	3
Other payables - others	821,958	2	817,306	2
Current tax liabilities (Note 22)	90,611	-	74,713	-
Lease liabilities - current (Notes 4 and 14)	12,893	-	-	-
Current portion of long-term borrowings (Notes 4 and 17)	2,994,000	7	3,283,000	8
Other current liabilities - others	<u>7,726</u>	-	<u>27,728</u>	-
Total current liabilities	<u>7,006,246</u>	<u>16</u>	<u>7,720,218</u>	<u>18</u>
NONCURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	2,994,192	7	-	-
Long-term borrowings (Notes 4 and 17)	7,796,408	18	11,021,142	25
Deferred tax liabilities (Notes 4 and 22)	2,725,100	7	2,826,460	7
Lease liabilities - non-current (Notes 4 and 14)	29,594	-	-	-
Other noncurrent liabilities (Notes 5 and 18)	<u>989,117</u>	<u>2</u>	<u>1,012,727</u>	<u>2</u>
Total noncurrent liabilities	<u>14,534,411</u>	<u>34</u>	<u>14,860,329</u>	<u>34</u>
Total liabilities	<u>21,540,657</u>	<u>50</u>	<u>22,580,547</u>	<u>52</u>
EQUITY (Note 19)				
Ordinary shares	<u>12,402,795</u>	<u>29</u>	<u>12,402,795</u>	<u>28</u>
Capital surplus	<u>356,046</u>	<u>1</u>	<u>356,046</u>	<u>1</u>
Retained earnings				
Legal reserve	3,942,840	9	3,787,789	9
Special reserve	510,893	1	426,930	1
Unappropriated earnings	<u>5,645,452</u>	<u>13</u>	<u>4,540,412</u>	<u>10</u>
Total retained earnings	<u>10,099,185</u>	<u>23</u>	<u>8,755,131</u>	<u>20</u>
Other equity	<u>(1,442,689)</u>	<u>(3)</u>	<u>(510,893)</u>	<u>(1)</u>
Total equity	<u>21,415,337</u>	<u>50</u>	<u>21,003,079</u>	<u>48</u>
TOTAL	<u>\$42,955,994</u>	<u>100</u>	<u>\$43,583,626</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 27, 2020)

Eternal Materials Co., Ltd.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 27)	\$ 14,804,018	100	\$ 16,113,899	100
OPERATING COSTS (Notes 8, 18, 21 and 27)	<u>12,164,359</u>	<u>82</u>	<u>13,817,004</u>	<u>86</u>
GROSS PROFIT	<u>2,639,659</u>	<u>18</u>	<u>2,296,895</u>	<u>14</u>
OPERATING EXPENSES (Notes 18 and 21)				
Selling and marketing expenses	721,682	5	745,922	5
General and administrative expenses	755,420	5	719,005	4
Research and development expenses	1,031,419	7	951,264	6
Expected credit loss (gain)	<u>(13,049)</u>	<u>-</u>	<u>38,943</u>	<u>-</u>
Total operating expenses	<u>2,495,472</u>	<u>17</u>	<u>2,455,134</u>	<u>15</u>
PROFIT (LOSS) FROM OPERATIONS	<u>144,187</u>	<u>1</u>	<u>(158,239)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 21 and 27)	506,562	3	548,620	4
Other gains and losses (Notes 9 and 21)	447,835	3	185,818	1
Net foreign exchange gains and losses (Note 30)	(4,150)	-	19,739	-
Finance costs (Notes 4 and 21)	(264,847)	(2)	(286,353)	(2)
Share of the profit of subsidiaries, associates and joint ventures (Note 12)	<u>1,725,901</u>	<u>12</u>	<u>1,202,485</u>	<u>7</u>
Total non-operating income and expenses	<u>2,411,301</u>	<u>16</u>	<u>1,670,309</u>	<u>10</u>
PROFIT BEFORE INCOME TAX	2,555,488	17	1,512,070	9
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 22)	<u>(89,132)</u>	<u>(1)</u>	<u>38,445</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>2,466,356</u>	<u>16</u>	<u>1,550,515</u>	<u>10</u>

(Continued)

Eternal Materials Co., Ltd.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2019		2018	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 18, 19 and 22)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	\$ (93,192)	(1)	\$ (7,129)	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	105,260	1	(114,425)	(1)
Remeasurement of defined benefit plans of subsidiaries, associates and joint ventures accounted for using the equity method	(1,357)	-	(372)	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	58,813	1	(46,887)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	24,278	-	20,142	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(974,560)	(7)	(433,325)	(3)
Share of the other comprehensive income of associates and joint ventures	<u>(53,883)</u>	<u>-</u>	<u>(16,276)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(934,641)</u>	<u>(6)</u>	<u>(598,272)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,531,715</u>	<u>10</u>	<u>\$ 952,243</u>	<u>6</u>
EARNINGS PER SHARE (Note 23)				
Basic	\$ 1.99		\$ 1.25	
Diluted	1.98		1.25	

The accompanying notes are an integral part of the standalone financial statements. (Concluded)

(With Deloitte & Touche auditors' report dated March 27, 2020)

Eternal Materials Co., Ltd.

STANDALONE STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Capital Surplus					Retained Earnings			Other Equity				Total Equity
	Ordinary Shares	Additional Paid-in Capital	Treasury Share Transactions	Share of Changes in Equities of Associates and Joint Ventures	Total Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Available-for-sale Financial Assets	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	
BALANCE AT JANUARY 1, 2018	\$ 11,591,397	\$ 309,017	\$ 19,642	\$ 31,241	\$ 359,900	\$ 3,596,826	\$ 426,930	\$ 4,473,325	\$ (206,864)	\$ 265,246	\$ -	\$ 58,382	\$ 20,506,760
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	97,371	-	(265,246)	295,375	30,129	127,500
BALANCE AT JANUARY 1, 2018 AS RESTATED	11,591,397	309,017	19,642	31,241	359,900	3,596,826	426,930	4,570,696	(206,864)	-	295,375	88,511	20,634,260
Appropriation of 2017 earnings (Note 19)													
Legal reserve	-	-	-	-	-	190,963	-	(190,963)	-	-	-	-	-
Cash dividends - NT\$0.5 per share	-	-	-	-	-	-	-	(579,570)	-	-	-	-	(579,570)
Share dividends - NT\$0.7 per share	811,398	-	-	-	-	-	-	(811,398)	-	-	-	-	-
	811,398	-	-	-	-	190,963	-	(1,581,931)	-	-	-	-	(579,570)
Net profit for the year ended December 31, 2018	-	-	-	-	-	-	-	1,550,515	-	-	-	-	1,550,515
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	-	6,918	(449,601)	-	(155,589)	(605,190)	(598,272)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	-	-	1,557,433	(449,601)	-	(155,589)	(605,190)	952,243
Disposal of investments accounted for using the equity method	-	-	-	(3,854)	(3,854)	-	-	-	-	-	-	-	(3,854)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 19)	-	-	-	-	-	-	-	(5,786)	-	-	5,786	5,786	-
BALANCE AT DECEMBER 31, 2018	12,402,795	309,017	19,642	27,387	356,046	3,787,789	426,930	4,540,412	(656,465)	-	145,572	(510,893)	21,003,079
Appropriation of 2018 earnings (Note 19)													
Legal reserve	-	-	-	-	-	155,051	-	(155,051)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	83,963	(83,963)	-	-	-	-	-
Cash dividends - NT\$0.9 per share	-	-	-	-	-	-	-	(1,116,252)	-	-	-	-	(1,116,252)
	-	-	-	-	-	155,051	83,963	(1,355,266)	-	-	-	-	(1,116,252)
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	2,466,356	-	-	-	-	2,466,356
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	(75,640)	(1,028,443)	-	169,442	(859,001)	(934,641)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	2,390,716	(1,028,443)	-	169,442	(859,001)	1,531,715
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 19)	-	-	-	-	-	-	-	69,590	-	-	(72,795)	(72,795)	(3,205)
BALANCE AT DECEMBER 31, 2019	\$ 12,402,795	\$ 309,017	\$ 19,642	\$ 27,387	\$ 356,046	\$ 3,942,840	\$ 510,893	\$ 5,645,452	\$ (1,684,908)	\$ -	\$ 242,219	\$ (1,442,689)	\$ 21,415,337

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

(With Deloitte & Touche auditors' report dated March 27, 2020)

Eternal Materials Co., Ltd.

STANDALONE STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December	
	2019	2018
31		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,555,488	\$ 1,512,070
Adjustments for:		
Depreciation expense	654,074	645,182
Amortization expense	7,630	3,489
Expected credit loss (gain)	(13,049)	38,943
Finance costs	264,847	286,353
Interest income	(604)	(775)
Dividend income	(23,945)	(42,861)
Share of the profit of subsidiaries, associates and joint ventures	(1,725,901)	(1,202,485)
Gain on disposal of property, plant and equipment	(1,113)	(9,462)
Gain on disposal of non-current assets held for sale	(480,640)	-
Gain on disposal of investments	-	(195,696)
Impairment loss recognized on non-financial assets	16,977	45,571
Changes in operating assets and liabilities		
Notes receivable	101,651	(2,419)
Notes receivable from related parties	133	192
Accounts receivable	201,570	302,192
Accounts receivable from related parties	69,074	(31,843)
Other receivables	8,749	(38,540)
Inventories	364,005	208,127
Other current assets	65,077	(13,505)
Notes payable	(21,988)	17,476
Accounts payable	(480,451)	176,377
Other payables	(17,369)	(6,575)
Other current liabilities	(18,095)	4,714
Other noncurrent liabilities	(111,067)	(152,506)
Cash generated from operations	1,415,053	1,544,019
Interest received	604	775
Dividends received	767,213	694,158
Interest paid	(281,816)	(291,513)
Income taxes paid	(155,291)	(104,667)
Net cash generated from operating activities	<u>1,745,763</u>	<u>1,842,772</u>

(Continued)

Eternal Materials Co., Ltd.

STANDALONE STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 80,499	\$ -
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,333
Acquisition of investments accounted for using the equity method	(90,626)	(368,876)
Proceeds from disposal of investments accounted for using the equity method	-	270,455
Net cash inflow on disposal of subsidiaries	27,191	-
Proceeds from capital reduction of investments accounted for using the equity method	179,814	540,034
Proceeds from disposal of non-current assets held for sale	489,883	-
Acquisition of property, plant and equipment	(783,508)	(871,506)
Proceeds from disposal of property, plant and equipment	20,229	(5,685)
Acquisition of intangible assets	(6,270)	(85,075)
Decrease in other financial assets - current	14,830	-
Decrease in other noncurrent assets	138	29,778
Net cash used in investing activities	<u>(67,820)</u>	<u>(487,542)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	64,026	(294,908)
Proceeds from issuance of bonds	3,000,000	-
Proceeds from long-term borrowings	12,209,081	13,836,765
Repayments of long-term borrowings	(15,723,000)	(14,713,919)
Increase in guarantee deposits received	-	2,086
Repayment of the principal portion of lease liabilities	(11,781)	-
Dividends paid	<u>(1,116,252)</u>	<u>(579,570)</u>
Net cash used in financing activities	<u>(1,577,926)</u>	<u>(1,749,546)</u>
NET DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS	100,017	(394,316)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>266,244</u>	<u>660,560</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 366,261</u>	<u>\$ 266,244</u>

The accompanying notes are an integral part of the standalone financial statements. (Concluded)

(With Deloitte & Touche auditors' report dated March 27, 2020)

Attachment 5

INDEPENDENT AUDITORS' REPORT

Eternal Materials Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Eternal Materials Co., Ltd. (the Company) and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph) the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2019 and 2018, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No.1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company and its subsidiaries' consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Revenue Recognition

1. Description

Due to the industrial and economic downturn, sales revenue of Eternal Materials Co., Ltd and its subsidiaries decreased compared to the previous year. However, sales revenue from the high performance materials department not only did not decrease significantly, the gross profit margin increased substantially. Thus, the main risk of revenue recognition of Eternal Materials Co., Ltd and its subsidiaries is whether the sale revenue from the high performance materials department actually occurred. Therefore, revenue recognition from the high performance materials department is deemed as a key audit matter.

2. The audit procedures we performed in response to the above key audit matter are the following:

- a. We understood the internal controls on revenue recognition of high performance materials department and tested their effectiveness; the internal controls over the customer master file, ordering, shipping, accounting and receiving process.
- b. We obtained the major customer master file data for major customers and verified the data for the registered responsible person, business category, and business address etc. using publicly available information, and evaluated the reasonableness of credit limit relative to the company size.
- c. We evaluated the reasonableness of sales revenue, gross profit rate and transaction terms of major customers.
- d. We selected appropriate samples from the sales revenue receipts of the high performance materials department, examined the payment and goods delivery receipts, and verified that the payment receiver is the same as the transaction counterparty.
- e. We examined material subsequent events with respect to sales returns to verify that the sales transactions occurred before the balance sheet date.

Other Matter

The financial statements of some associates accounted for using the equity method were audited by other auditors. Therefore, our opinion on the amounts and disclosures of such investments included in the accompanying financial statements were based on the financial statements audited by other auditors. Such investments accounted for using the equity method amounted to NT\$1,309,271 thousand and NT\$1,229,360 thousand, both representing 2% of the Company and its subsidiaries' total assets as of December 31, 2019 and 2018, respectively; and the share of the profit of these associates amounted to NT\$254,845 thousand and NT\$214,645 thousand, representing 17% and 24% of the Company and its subsidiaries' total comprehensive income for the year ended December 31, 2019 and 2018, respectively.

We have also audited the standalone financial statements of the Company as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion with other matter paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as 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, management is responsible for assessing the Company and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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 audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Company and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Company and its subsidiaries' audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lee-Yuan Kuo and Chun-Chi Kung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 27, 2020

Notice to Readers

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

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

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	December 31, 2019		December 31, 2018	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 6,009,646	11	\$ 6,085,433	11
Notes receivable, net (Notes 4, 7 and 30)	4,489,199	8	3,149,642	6
Notes receivable from related parties, net (Notes 4, 7 and 29)	57,038	-	38,815	-
Accounts receivable, net (Notes 4, 5, 7 and 30)	10,591,238	20	11,361,017	21
Accounts receivable from related parties, net (Notes 4, 5, 7 and 29)	223,637	1	233,652	-
Other receivables (Note 29)	970,352	2	995,128	2
Inventories (Notes 4, 5 and 8)	7,181,706	13	7,917,850	15
Non-current assets held for sale (Notes 4 and 9)	-	-	9,243	-
Other financial assets - current (Note 10)	66,950	-	241,780	-
Other current assets - others (Notes 24 and 29)	637,750	1	634,011	1
Total current assets	<u>30,227,516</u>	<u>56</u>	<u>30,666,571</u>	<u>56</u>
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 11)	12,483	-	7,341	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 12)	743,309	1	716,037	1
Investments accounted for using the equity method (Notes 4 and 14)	2,287,302	4	2,096,831	4
Property, plant and equipment (Notes 4, 15, 29 and 30)	17,435,546	33	18,792,384	35
Right-of-use assets (Notes 4 and 16)	1,037,179	2	-	-
Investment properties (Notes 4 and 17)	1,112,377	2	52,744	-
Intangible assets (Notes 4 and 18)	343,782	1	385,279	1
Deferred tax assets (Notes 4, 5 and 24)	410,040	1	411,601	1
Other noncurrent assets - others (Notes 16 and 29)	187,195	-	1,231,491	2
Total noncurrent assets	<u>23,569,213</u>	<u>44</u>	<u>23,693,708</u>	<u>44</u>
TOTAL	<u>\$ 53,796,729</u>	<u>100</u>	<u>\$ 54,360,279</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 19 and 30)	\$ 4,414,613	8	\$ 5,145,654	10
Notes payable	213,498	-	116,847	-
Accounts payable	4,311,495	8	3,132,664	6
Other payables - others	2,051,189	4	2,122,776	4
Current tax liabilities (Note 24)	204,777	-	211,607	-
Lease liabilities - current (Notes 4 and 16)	45,281	-	-	-
Current portion of long-term borrowings (Notes 4, 19 and 30)	4,546,891	9	3,676,052	7
Other current liabilities - others (Note 22)	40,906	-	77,201	-
Total current liabilities	<u>15,828,650</u>	<u>29</u>	<u>14,482,801</u>	<u>27</u>
NONCURRENT LIABILITIES				
Bonds payable (Notes 4 and 19)	2,994,192	6	-	-
Long-term borrowings (Notes 4, 19 and 30)	8,929,545	17	14,165,861	26
Deferred tax liabilities (Notes 4, 5 and 24)	2,724,374	5	2,826,482	5
Lease liabilities - noncurrent (Notes 4 and 16)	108,755	-	-	-
Other noncurrent liabilities (Notes 5, 14 and 20)	1,291,478	2	1,259,966	2
Total noncurrent liabilities	<u>16,048,344</u>	<u>30</u>	<u>18,252,309</u>	<u>33</u>
Total liabilities	<u>31,876,994</u>	<u>59</u>	<u>32,735,110</u>	<u>60</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)				
Ordinary shares	12,402,795	23	12,402,795	23
Capital surplus	356,046	1	356,046	1
Retained earnings				
Legal reserve	3,942,840	7	3,787,789	7
Special reserve	510,893	1	426,930	1
Unappropriated earnings	5,645,452	11	4,540,412	8
Total retained earnings	10,099,185	19	8,755,131	16
Other equity	(1,442,689)	(3)	(510,893)	(1)
Total equity attributable to owners of the Company	21,415,337	40	21,003,079	39
NON-CONTROLLING INTERESTS (Note 21)	504,398	1	622,090	1
Total equity	<u>21,919,735</u>	<u>41</u>	<u>21,625,169</u>	<u>40</u>
TOTAL	<u>\$ 53,796,729</u>	<u>100</u>	<u>\$ 54,360,279</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 27, 2020)

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 29)	\$40,363,238	100	\$43,300,155	100
OPERATING COSTS (Notes 8, 23 and 29)	<u>32,506,285</u>	<u>81</u>	<u>36,020,316</u>	<u>83</u>
GROSS PROFIT	<u>7,856,953</u>	<u>19</u>	<u>7,279,839</u>	<u>17</u>
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	2,113,936	5	2,155,446	5
General and administrative expenses	2,078,380	5	1,940,713	5
Research and development expenses	1,368,464	3	1,292,744	3
Expected credit loss (gain)	<u>(38,877)</u>	<u>-</u>	<u>77,931</u>	<u>-</u>
Total operating expenses	<u>5,521,903</u>	<u>13</u>	<u>5,466,834</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>2,335,050</u>	<u>6</u>	<u>1,813,005</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 23 and 29)	386,927	1	355,657	1
Other gains and losses (Notes 9 and 23)	418,056	1	51,402	-
Net foreign exchange gains and losses (Note 33)	(4,563)	-	26,947	-
Finance costs (Note 23)	(500,512)	(1)	(577,007)	(1)
Share of the profit of associates and joint ventures (Note 14)	<u>278,973</u>	<u>-</u>	<u>193,967</u>	<u>-</u>
Total non-operating income and expenses	<u>578,881</u>	<u>1</u>	<u>50,966</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	2,913,931	7	1,863,971	4
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(485,850)</u>	<u>(1)</u>	<u>(371,648)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>2,428,081</u>	<u>6</u>	<u>1,492,323</u>	<u>3</u>

(Continued)

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2019		2018	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 24)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	\$ (95,636)	-	\$ (8,195)	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	166,030	-	(161,312)	-
Remeasurement of defined benefit plans of associates and joint ventures accounted for using the equity method	-	-	188	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	23,070	-	20,508	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(985,454)	(2)	(434,930)	(1)
Share of the other comprehensive income of associates and joint ventures	<u>(53,883)</u>	<u>-</u>	<u>(16,276)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(945,873)</u>	<u>(2)</u>	<u>(600,017)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,482,208</u>	<u>4</u>	<u>\$ 892,306</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,466,356		\$ 1,550,515	
Non-controlling interests	<u>(38,275)</u>		<u>(58,192)</u>	
	<u>\$ 2,428,081</u>		<u>\$ 1,492,323</u>	
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,531,715		\$ 952,243	
Non-controlling interests	<u>(49,507)</u>		<u>(59,937)</u>	
	<u>\$ 1,482,208</u>		<u>\$ 892,306</u>	
EARNINGS PER SHARE (Note 25)				
Basic	\$ 1.99		\$ 1.25	
Diluted	1.98		1.25	

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

(With Deloitte & Touche auditors' report dated March 27, 2020)

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company													Non-controlling Interests	Total Equity
	Capital Surplus					Retained Earnings			Other Equity						
	Ordinary Shares	Additional Paid-in Capital	Treasury Share Transactions	Share of Changes in Equities of Associates and Joint Ventures	Total Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Available-for-sale Financial Assets	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total		
BALANCE AT JANUARY 1, 2018	\$ 11,591,397	\$ 309,017	\$ 19,642	\$ 31,241	\$ 359,900	\$ 3,596,826	\$ 426,930	\$ 4,473,325	\$ (206,864)	\$ 265,246	\$ -	\$ 58,382	\$ 20,506,760	\$ 561,351	\$ 21,068,111
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	97,371	-	-	(265,246)	295,375	30,129	127,500	-	127,500
BALANCE AT JANUARY 1, 2018 AS RESTATED	11,591,397	309,017	19,642	31,241	359,900	3,596,826	426,930	4,570,696	(206,864)	-	295,375	88,511	20,634,260	561,351	21,195,611
Appropriation of the 2017 earnings (Note 21)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	190,963	-	(190,963)	-	-	-	-	-	-	-
Cash dividends - NT\$0.5 per share	-	-	-	-	-	-	-	(579,570)	-	-	-	-	(579,570)	-	(579,570)
Share dividends - NT\$0.7 per share	811,398	-	-	-	-	-	-	(811,398)	-	-	-	-	-	-	-
	811,398	-	-	-	-	190,963	-	(1,581,931)	-	-	-	-	(579,570)	-	(579,570)
Net profit for the year ended December 31, 2018	-	-	-	-	-	-	-	1,550,515	-	-	-	-	1,550,515	(58,192)	1,492,323
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	-	6,918	(449,601)	-	(155,589)	(605,190)	(598,272)	(1,745)	(600,017)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	-	-	1,557,433	(449,601)	-	(155,589)	(605,190)	952,243	(59,937)	892,306
Disposal of investments accounted for using the equity method (Note 21)	-	-	-	(3,854)	(3,854)	-	-	-	-	-	-	-	(3,854)	-	(3,854)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	120,676	120,676
Disposals of investments in equity instruments designated as at fair value through other comprehensive income (Note 21)	-	-	-	-	-	-	-	(5,786)	-	-	5,786	5,786	-	-	-
BALANCE AT DECEMBER 31, 2018	12,402,795	309,017	19,642	27,387	356,046	3,787,789	426,930	4,540,412	(656,465)	-	145,572	(510,893)	21,003,079	622,090	21,625,169
Appropriation of 2018 earnings (Note 21)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	155,051	-	(155,051)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	83,963	(83,963)	-	-	-	-	-	-	-
Cash dividends - NT\$0.9 per share	-	-	-	-	-	-	-	(1,116,252)	-	-	-	-	(1,116,252)	-	(1,116,252)
	-	-	-	-	-	155,051	83,963	(1,355,266)	-	-	-	-	(1,116,252)	-	(1,116,252)
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	2,466,356	-	-	-	-	2,466,356	(38,275)	2,428,081
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	(75,640)	(1,028,443)	-	169,442	(859,001)	(934,641)	(11,232)	(945,873)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	2,390,716	(1,028,443)	-	169,442	(859,001)	1,531,715	(49,507)	1,482,208
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(68,185)	(68,185)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income (Note 21)	-	-	-	-	-	-	-	69,590	-	-	(72,795)	(72,795)	(3,205)	-	(3,205)
BALANCE AT DECEMBER 31, 2019	\$ 12,402,795	\$ 309,017	\$ 19,642	\$ 27,387	\$ 356,046	\$ 3,942,840	\$ 510,893	\$ 5,645,452	\$ (1,684,908)	\$ -	\$ 242,219	\$ (1,442,689)	\$ 21,415,337	\$ 504,398	\$ 21,919,735

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

(With Deloitte & Touche auditors' report dated March 27, 2020)

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,913,931	\$ 1,863,971
Adjustments for:		
Depreciation expense	1,965,252	1,827,300
Amortization expense	52,666	39,039
Expected credit loss (gain)	(38,877)	77,931
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(6,549)	(1,663)
Finance costs	500,512	577,007
Interest income	(120,498)	(112,028)
Dividend income	(23,945)	(49,519)
Share of the profit of associates and joint ventures	(278,973)	(193,967)
Gain (loss) on disposal of property, plant and equipment	(46,027)	9,422
Gain on disposal of non-current assets held for sale	(480,640)	-
Gain on disposal of investments	-	(167,537)
Impairment loss recognized on non-financial assets	30,792	81,540
Others	(99)	26,092
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	1,132	732
Notes receivable	(1,339,557)	(394,310)
Notes receivable from related parties	(18,223)	(16,345)
Accounts receivable	541,424	361,105
Accounts receivable from related parties	8,040	924
Other receivables	10,123	88,797
Inventories	705,352	(196,843)
Other current assets	10,348	339,991
Notes payable	96,651	75,835
Accounts payable	1,278,201	(396,841)
Other payables	84,267	(28,274)
Other current liabilities	33,010	28,297
Other noncurrent liabilities	<u>(116,831)</u>	<u>(111,826)</u>
Cash generated from operations	5,761,482	3,728,830
Interest received	125,995	114,595
Dividends received	178,932	189,142
Interest paid	(550,227)	(649,528)
Income taxes paid	<u>(570,038)</u>	<u>(499,789)</u>
Net cash generated from operating activities	<u>4,946,144</u>	<u>2,883,250</u>

(Continued)

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December	
	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 135,905	\$ -
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,333
Acquisition of investments accounted for using the equity method	(90,626)	(101,815)
Proceeds from disposal of investments accounted for using the equity method	-	270,455
Proceeds from disposal of non-current assets held for sale	489,883	-
Acquisition of property, plant and equipment	(2,111,487)	(2,478,829)
Proceeds from disposal of property, plant and equipment	142,167	24,662
Decrease in other receivables from related parties	6,442	86,763
Acquisition of intangible assets	(10,797)	(101,511)
Decrease in long-term lease receivables	37,590	-
Decrease in other financial assets - current	174,830	55,650
Decrease in other noncurrent assets	<u>100,709</u>	<u>50,415</u>
Net cash used in investing activities	<u>(1,125,384)</u>	<u>(2,190,877)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(931,282)	(872,539)
Proceeds from issuance of bonds	3,000,000	-
Proceeds from long-term borrowings	14,823,508	19,616,629
Repayments of long-term borrowings	(19,120,166)	(20,954,094)
Increase in other payables	-	211,779
Increase in guarantee deposits received	57,341	9,407
Decrease in finance lease payables	-	(3,817)
Repayment of the principal portion of lease liabilities	(61,067)	-
Dividends paid	(1,116,252)	(579,570)
Increase (decrease) in non-controlling interests	<u>(68,185)</u>	<u>120,676</u>
Net cash used in financing activities	<u>(3,416,103)</u>	<u>(2,451,529)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(480,444)</u>	<u>(139,583)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(75,787)	(1,898,739)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>6,085,433</u>	<u>7,984,172</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 6,009,646</u>	<u>\$ 6,085,433</u>

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

(With Deloitte & Touche auditors' report dated March 27, 2020)

Attachment 6

Eternal Materials Co., Ltd.
2019 Earnings Distribution Table

Unit: NT\$

Item	Amount
1. Distributable amount	
Undistributed earnings, beginning of period	3,185,145,199
Adjusted retained earnings for Remeasurement of defined benefit plan	(74,553,458)
Adjusted retained earnings for investments accounted for using the equity method	(1,085,318)
Disposal of equity instruments measured at fair value through other comprehensive income	<u>69,589,730</u>
Undistributed earnings after adjustment.	3,179,096,153
2019 Net profit after tax	2,466,356,251
10% appropriated as legal reserve	(246,030,721)
Special reserve	<u>(931,797,097)</u>
Distributable retained earnings	4,467,624,586
II. Distributable item	
Cash dividends for shareholders, at NT\$1.4/share	(1,736,391,237)
III. Undistributed earnings, end of period	<u>2,731,233,349</u>

- 1、Dividends for shareholders to be distributed should be appropriated from the earnings in 2019 first.
- 2、According to the Letter No. 1010012865 issued by Financial Supervisory Commission on April 6, 2012, the Company chose to adopt the exemptions in IFRS 1, so special reserve of NT\$426,930,232 was appropriated for retained earnings transferred from unrealized incremental value from revaluation. The special reserve was not reversed in 2019.
- 3、According to the Letter No. 1010012865 issued by Financial Supervisory Commission on April 6, 2012, the Company should appropriate special reserve of NT\$1,442,690,547 for net other equity deductions due to the exchange difference on translation of assets and liabilities of foreign operations and the revaluation of fair value of financial investments. As the Company had appropriated special reserve of NT\$510,893,450, the difference of NT\$931,797,097 should be appropriated additionally.
- 4、According to the Letter No. 1010012865 issued by Department of Commerce on January 9, 2020, the Company should appropriate "the net profit after tax for the current period plus the amount other than the net profit after tax for the period" as the base of the Legal Reserve Capital. The base amount appropriated as legal capital reserve for 2019 is NT\$2,460,307,205.
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Chairman: Kao, Kuo-Lun President: Mao, Hui-Kuan Accounting Supervisor: Su, Hui-Fang

Attachment 7

Eternal Materials Co., Ltd.

Comparison Table for Amendments to the Procedures for Loaning of Funds

After the Amendments	Before the Amendments	Reasons for the Amendments
<p>Article 3: The maximum amount limits for lending funds to others are as follows:</p> <p>(1) (Omitted)</p> <p>(2) Amount of lending funds between those foreign companies hold 100% voting shares directly and indirectly by the Company or those foreign companies hold 100% voting shares directly and indirectly by the Company lending funds to the Company may not be restricted by subsection (1). The total and individual total amounts shall not exceed 200% of the Company's net worth.</p>	<p>Article 3: The maximum amount limits for Lending Funds to others are as follows:</p> <p>(1) (Omitted)</p> <p>(2) Amount of lending funds between those foreign companies hold 100% voting shares directly and indirectly by the Company may not be restricted by subsection (1). The total and individual total amounts shall not exceed 200% of the Company's net worth.</p>	<p>In order to increase the flexibility of the Group's internal fund management and use, and considering that foreign companies do not have the application of Article 15 of the Company Act, FSC relax restriction of fund loan from the foreign companies that directly and indirectly hold 100% of the voting shares of the public issuance company and such loan is not subject to the limit of 40% of the net worth and the 1-year duration.</p>
<p>Article 13: The finance department of the Company shall announce and declare the capital loan and data before the 10th day of each month in accordance with the time limit prescribed by the security regulatory authority. If the capital loan and amount reaches one of the following levels, they shall announce within 2 days from the date of the occurrence:</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>(3) (Omitted)</p> <p>The term "Date of occurrence" refers to the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and financing amount of the loan of funds, whichever date is earlier.</p>	<p>Article 13: The finance department of the Company shall announce and declare the capital loan and data before the 10th day of each month in accordance with the time limit prescribed by the securities regulatory authority. If the capital loan and amount reaches one of the following levels, they shall announce and within 2 days from the date of transaction:</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>(3) (Omitted)</p> <p>The term "Date of occurrence " refers to the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the transaction counterpart and financing amount of the transaction , whichever date is earlier.</p>	<p>Due to the consideration of capital loans with non-transactional nature, the content was revised in accordance with the guidelines.</p>

Attachment 8

Eternal Materials Co., Ltd.

Comparison Table of Amendment to Procedures for Endorsements and Guarantees

After the Amendments	Before the Amendments	Reasons for the Amendments
<p>Article 9: In addition to the deadline specified by the securities authority, the finance department of the Company announces the balance of the endorsement/guarantee before the 10th of each month. If the balance of the endorsement guarantee reaches one of the following levels, the Company shall announce such event within 2 days from the date of the occurrence:</p> <p>(1) (Omitted) (2) (Omitted) (3). The balance of endorsement and guarantee by the Company and its subsidiaries to a single enterprise reaches NT \$10 million or more, and the aggregate amount of endorsement/ guarantee, investments accounted for using equity method, and lending funds is more than 30% of the Company's net worth. (4) (Omitted) The term "Date of occurrence" refers to the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and financing amount of the endorsement/guarantee, whichever date is earlier.</p>	<p>Article 9: In addition to the deadline specified by the securities authority, the finance department of the Company announces the balance of the endorsement/guarantee before the 10th of each month. If the balance of the endorsement guarantee reaches one of the following levels, the Company shall announce such event within 2 days from the date of the occurrence:</p> <p>(1) (Omitted) (2) (Omitted) The balance of endorsement and guarantee by the Company and its subsidiaries to a single enterprise reaches NT \$10 million or more, and the aggregate amount of endorsement/ guarantee, long-term investment, and capital-lending is more than 30% of our net worth. (4) (Omitted) The term "Date of occurrence " refers to the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the transaction counterpart and financing amount of the transaction , whichever date is earlier.</p>	<p>In accordance with the provisions of the standard to clarify the definition of long-term investment, refer to subsection 4 (1) of Article 9 of the Securities Issuer Financial Reporting Standards and amend subsection (3). In addition, due to the consideration of capital loans with non-transactional nature, the content was revised in accordance with the guidelines.</p>

Attachment 9

Eternal Materials Co., Ltd.

Comparison Table of Amended Articles for the Rules and Procedures of Shareholders Meeting

Amended Provision	Current Provision	Description
<p>2. A shareholder holding 1% or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, if the shareholder proposal is a proposal to urge the Company to promote public interest or fulfill its social responsibilities, and the board of directors must still include the proposal. In addition, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission: the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words (including</p>	<p>1-1</p> <p>A shareholder holding 1% of the total number of issued shares or more may submit to the Company a written proposal for discussion at a regular shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words (including characters and punctuation), and no proposal containing more than 300</p>	<p>1. Article number adjustment</p> <p>2. Cooperate with the amendment of Article 172 of the Company Act</p>

Amended Provision	Current Provision	Description
<p>characters and punctuation), and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder submitting the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in the discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a regular shareholders' meeting, the Company shall inform the shareholders' submitting proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder-submitted proposals not included in the meeting agenda.</p>	<p>words will be included in the meeting agenda. The shareholder submitting the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in the discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a regular shareholders' meeting, the Company shall inform the shareholders' submitting proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder-submitted proposals not included in the meeting agenda.</p>	
<p>10. If a shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors. The relevant proposals (including motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting</p>	<p>9. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which shall not be changed without a resolution of the shareholders' meeting.</p> <p>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.</p> <p>The chair shall not declare the</p>	<p>1. Article number adjustment</p> <p>2. Amendment in accordance with Legal Regulations.</p>

Amended Provision	Current Provision	Description
<p>convened by a party with the power to convene that is not the Board of Directors.</p> <p>The chair shall not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.</p> <p>After the meeting is adjourned, the shareholders shall not appoint another chair and continue the meeting either at the same or a different venue.</p>	<p>meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.</p> <p>After the meeting is adjourned, the shareholders shall not appoint another chair and continue the meeting either at the same or a different venue.</p>	
<p>20. Resolutions of shareholders' meetings shall be recorded in the minutes of meeting. The meeting minutes shall be signed or sealed by the chairperson of the meeting, and the minutes shall be distributed to each shareholder within 20 days after the meeting. The production and distribution of the meeting minutes may be affected by electronic means.</p> <p>The distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System.</p> <p>The meeting minutes shall record in the year, month, day, venue, name of the chairperson, resolution method, method of discussion and voting results (including statistical weights). When there are elected</p>		<p>1. New specifications</p>

Amended Provision	Current Provision	Description
Directors, each candidate's votes shall be disclosed. It should be kept permanently during the existence of the Company,		
3. (Omitted)	2. (Omitted)	1. Article number adjustment
4. (Omitted)	3. (Omitted)	
5. (Omitted)	4. (Omitted)	
6. (Omitted)	5. (Omitted)	
7. (Omitted)	6. (Omitted)	
8. (Omitted)	7. (Omitted)	
9. (Omitted)	8. (Omitted)	
11. (Omitted)	10. (Omitted)	
12. (Omitted)	11. (Omitted)	
13. (Omitted)	12. (Omitted)	
14. (Omitted)	13. (Omitted)	
15. (Omitted)	14. (Omitted)	
16. (Omitted)	15. (Omitted)	
17. (Omitted)	16. (Omitted)	
18. (Omitted)	17. (Omitted)	
19. (Omitted)	18. (Omitted)	
21. (Omitted)	19. (Omitted)	
22. (Omitted)	20. (Omitted)	

Attachment 10

List of Independent Director Candidates

Name of Nominee	Background	Major Past Positions	Current Positions	Number of Shares Held
Chen, I-Heng	New York University PhD in Human Resources Management and Organization Development	Professor, Institute of Human Resource Management, National Sun Yat-sen University Independent Director of the Board of the Company Convener of Remuneration Committee of the Company Member of Audit Committee of the Company	Professor, Institute of Human Resource Management, National Sun Yat-sen University Director, Creative and Innovation R & D Center of Sun Yat-sen University Independent Director of KHAM Inc Independent Director of Tigerair Taiwan Co., Ltd.	471,771

Appendix 1

Eternal Materials Co., Ltd. Rules of Procedure for Shareholders' Meetings

**Formulated on April 21, 1991
Amended on June 11, 2014**

- I. The rules of procedure for the Company's shareholders meetings, except as otherwise provided by the laws, regulations, or Articles of Incorporation, shall be as provided in these Rules.
 - I. i. A shareholder holding 1% of the total number of issued shares or more may submit to the Company a written proposal for discussion at a regular shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

Prior to the date for issuance of notice of a regular shareholders' meeting, the Company shall inform the shareholders submitting proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder-submitted proposals not included in the meeting agenda.
- II. Shareholders or their proxies (collectively, "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.
- III. The number of shares in attendance shall be calculated according to the shares indicated by the attendance cards, sign-in cards, or other certificates of attendance handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

Attendance at shareholders' meetings shall be calculated based on the number of shares.
- IV. The venue for a shareholders' meeting shall be the premises or plants of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences.

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

V. A shareholders' meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the chair, the Chairman shall appoint one of the Directors of the Board to act as chair. Where the Chairman does not make such a designation, the Directors of the Board shall select from among themselves one person to serve as chair.

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

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

VII. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of a shareholders' meeting. The recorded materials shall be retained for at least 1 year.

VIII. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made.

If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

IX. IX. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which shall not be changed without a resolution of the shareholders' meeting.

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

The chair shall not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.

After the meeting is adjourned, the shareholders shall not appoint another chair and continue the meeting either at the same or a different venue.

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

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

the subject given on the speaker's slip, the spoken content shall prevail.

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

XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

XII. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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

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

XIV. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

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

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

XVI. When a meeting is in progress, the chair may announce a break based on time considerations.

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

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.

XVIII. When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice.

A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting;

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

under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this restriction does not apply when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

- XIX. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- XX. These Rules and any amendments hereto shall be implemented after adoption by shareholders' meetings.

Appendix 2

Articles of Incorporation of Eternal Materials Co., Ltd.

Chapter I General Provisions

Article 1: The Company, organized under the Company Act, shall be named Eternal Materials Co., Ltd.

Article 2: The scope of business is as follows:

1. C801040 Synthetic resin manufacturing
2. CC01080 Electronic parts and components manufacturing
3. C802030 Paints and varnishes manufacturing
4. C802120 Industrial catalyst manufacturing
5. C801050 Raw plastic material manufacturing
6. C805990 Other plastic products manufacturing
7. C801990 Other chemical materials manufacturing
8. C801020 Petrochemical manufacturing
9. C801010 Basic industrial chemical manufacturing
10. CF01011 Medical materials and equipment manufacturing
11. F108031 Wholesale of drugs and medical goods
12. F208031 Retail sale of medical equipment
13. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3: The Company is headquartered in Kaohsiung City and may establish branches at home and abroad when necessary.

Article 4: The Company may engage in domestic or foreign investment in other companies. The total amount of the Company's investment in other companies is exempted from the prohibition against exceeding 40% of paid-up capital.

Article 5: The Company may act as a guarantor of affiliates and investee companies.

Chapter II Shares

Article 6: The authorized capital of the Company is NT\$18 billion, consisting of 1.8 billion shares of common stock, with a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in separate installments as required. NT\$0.1 billion, consisting of 10 million shares, with a par value of NT\$10 per share, is reserved for stock warrants, corporate bonds with warrants, and preferred stock with warrants.

Article 6-1: Shares issued by the Company need not be in a certificate form, but shall be registered with a centralized depository enterprise.

Article 7: All entries in the shareholders register due to transfer of shares shall be suspended for 60 days prior to a regular shareholders' meeting, or for 30 days prior to an extraordinary shareholders' meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefits.

Chapter III Shareholders' Meetings

Article 8: Shareholders' meetings are of two kinds: regular shareholders' meetings and extraordinary shareholders' meetings. A regular shareholders' meeting is called once every year within 6 months of the close of a fiscal year. Extraordinary shareholders' meetings may be called in accordance with applicable laws and regulations whenever

necessary.

Article 9: For any shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy.

Article 10: Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by the Company Act and applicable laws or regulations.

Article 11: Unless otherwise provided by applicable laws or regulations, a resolution of the shareholders' meeting shall be adopted with consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, and representing a majority of the total issued shares.

Chapter IV Board of Directors and Audit Committee

Article 12: The Company shall have ten Directors of the Board (including three Independent Directors), with a 3-year term of office. Starting from the 18th Board of Directors, the Company shall have eleven Directors of the Board (including three Independent Directors). Directors are elected and appointed by the shareholders from the list of candidates. Candidates may continue in office if re-elected. The nomination system shall be adopted for the election of directors. The nomination of Directors of the Board shall be processed and announced in accordance with the Company Act and the Securities and Exchange Act. Independent and non-independent Directors shall be elected at the same time, but in separately calculated numbers. The total shares of registered stock held by all Directors shall conform to the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the authority in charge of securities.

Article 12-1: The Company has established the Audit Committee under the 17th Board of Directors since 2016. The Audit Committee shall consist of all Independent Directors. The Audit Committee Charter shall be formulated based on the resolution of the Board of Directors. Since the establishment of the Audit Committee, the regulations of the Company Act, the Securities and Exchange Act, and other laws and regulations relating to supervisors shall apply mutatis mutandis to the Audit Committee.

Article 12-2: The Company may purchase liability insurance for Directors of the Board within the term of office.

Article 13: The Board of Directors shall consist of the Directors of the Company; the Chairman of the Board shall be elected from among the Directors of the Board by a majority of directors of the Board in attendance at a meeting attended by at least two-thirds of the Directors of the Board. A Vice Chairman may be elected as well in the same way when necessary. The Chairman of the Board shall represent the Company in external matters. In calling a meeting of the Board of Directors, the Company may notify each Director in writing or by fax or E-mail.

Article 14: If a Director is unavailable to attend a Board meeting in person, the Director may authorize another Director to attend the Board meeting on his/her behalf. For matters that shall be resolved by the Board of Directors in accordance with Article 14-3 of the Securities and Exchange Act, independent directors may only authorize other Independent Directors to attend the meeting on their behalf.

Article 14-1: The Board of Directors shall be authorized to decide on the compensation for the Directors at a rate consistent with the general practices in the industry and based on the participation in and contribution to the Company's operations. The Board

of Directors shall also approve the compensation regulations as the basis for payment of compensation.

Chapter V Managerial Officers

Article 15: The Company may appoint several managerial officers, whose commissioning, decommissioning, and compensation shall be as pursuant to Article 29 of the Company Act.

Chapter VI Accounting

Article 16: After the close of each fiscal year, the business report, financial statements, and proposal for earnings distribution or appropriation for deficits shall be prepared by the Board of Directors and submitted to the regular shareholders' meeting for ratification.①②③

Article 17: If the Company reports a profit in a year, 4.5%~5.5% of which shall be set aside as compensation for employees, and 1% of which shall be set aside as compensation for directors of the Board. However, if the Company has accumulated losses, the amount for offsetting the losses shall be reserved first.

The profit in the current year mentioned in Paragraph 1 shall refer to the profit before tax of the year before deducting the distribution of remuneration paid to employees and to directors.

Compensation for employees may be distributed in a form of stock or cash. The distribution of compensation for employees shall be approved by more than half of the directors of the Board present in the meeting which more than two-thirds of the Directors attend and reported in the shareholders' meeting.

The counterparty to whom stock or cash dividends are distributed to as compensation for employees shall include the employees of the Company's subsidiaries that meet certain conditions.

Except for compensation set forth in Article 14-1, independent directors do not participate in the distribution of compensation for directors of the Board in this article.

Article 18: The Company shall set aside the following in order before distributing earnings, if any:

- (1) Income taxes.
- (2) Deficits.
- (3) 10% as legal reserve; where such legal reserve amounts to the total capital, this provision shall not apply.
- (4) Special reserve according to the resolution of the shareholders' meeting or the order of the competent authority.
- (5) The distributable earnings shall consist of the balance of earnings plus the undistributed earnings. The Board of Directors shall propose the earnings distribution in the shareholders' meeting for a resolution.

Based on the principle of sustainable development and continuous growth, the Company expects to have a major expansion plan in the future. The dividends distributed to shareholders for the year shall not be less than 30% of the balance to be distributed for the year. Cash dividends shall not be less than 10% of the total dividends distributed for the year.

Chapter VII Supplementary Provisions

Article 19: Any matters not provided for in the Articles of Incorporation shall be handled in accordance with the Company Act and other applicable laws or regulations.

Article 20: The Articles of Incorporation were established on November 17, 1964.
The 1st amendment was made on February 16, 1966.
The 2nd amendment was made on May 1, 1967.
The 3rd amendment was made on December 16, 1967.
The 4th amendment was made on February 6, 1972.
The 5th amendment was made on November 2, 1972
The 6th amendment was made on November 5, 1973.
The 7th amendment was made on June 6, 1974.
The 8th amendment was made on July 31, 1975.
The 9th amendment was made on August 29, 1976.
The 10th amendment was made on February 10, 1977.
The 11th amendment was made on August 3, 1978.
The 12th amendment was made on December 26, 1979.
The 13th amendment was made on December 28, 1980.
The 14th amendment was made on October 4, 1983.
The 15th amendment was made on July 20, 1984.
The 16th amendment was made on September 2, 1984.
The 17th amendment was made on October 23, 1986.
The 18th amendment was made on February 12, 1987.
The 19th amendment was made on June 25, 1987.
The 20th amendment was made on September 3, 1987.
The 21st amendment was made on January 17, 1988.
The 22nd amendment was made on September 7, 1988.
The 23rd amendment was made on October 12, 1988.
The 24th amendment was made on December 11, 1988.
The 25th amendment was made on April 26, 1990.
The 26th amendment was made on May 20, 1990.
The 27th amendment was made on August 28, 1990.
The 28th amendment was made on April 21, 1991.
The 29th amendment was made on March 4, 1992.
The 30th amendment was made on April 25, 1992.
The 31st amendment was made on July 15, 1992.
The 32nd amendment was made on April 25, 1993.
The 33rd amendment was made on April 25, 1994.
The 34th amendment was made on April 28, 1995.
The 35th amendment was made on May 15, 1996.
The 36th amendment was made on May 15, 1997.
The 37th amendment was made on April 10, 1998.
The 38th amendment was made on May 4, 1999.
The 39th amendment was made on May 10, 2000.
The 40th amendment was made on May 11, 2001.
The 41st amendment was made on April 15,
The 42nd amendment was made on April 14, 2004.
The 43rd amendment was made on April 13, 2005.
The 44th amendment was made on June 9, 2006.
The 45th amendment was made on May 24, 2007.
The 46th amendment was made on June 13, 2008.
The 47th amendment was made on June 15, 2010.
The 48th amendment was made on June 5, 2012.
The 49th amendment was made on June 20, 2013.
The 50th amendment was made on June 11, 2014.
The 51st amendment was made on June 10, 2015.
The 52nd amendment was made on June 15, 2016.
The 53rd amendment was made on June 15, 2017.
The 54th amendment was made on June 26, 2019.

Appendix 3

Eternal Materials Co., Ltd. Procedures for Lending Funds to Other Parties

Article 1: The Company and its Subsidiaries shall follow the Procedures set forth below for lending funds to other parties. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

"Subsidiary" and "parent company" as referred to in the Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China ("ROC"). "Net worth" as referred to in the Procedures shall be equity attributable to owners of the parent company in the nearest balance sheet which shall be audited by a certified public accountant.

Article 2: The Company and its Subsidiaries shall not loan funds to any of its shareholders or any other person except an inter-company of which the Company holds, directly or indirectly, 40% or more of its voting shares having a business need for short-term financing.

Article 3: The maximum amount limits for lending funds to others are as follows:

(1) The total amount of lending funds by the Company shall not exceed more than 40% of the net worth of the Company. And the amount of lending funds to individual party shall be limited in 5% of the net worth of the Company.

(2) Amount of fund lending between those foreign companies hold 100% voting shares directly and indirectly by the Company may not be restricted by subsection (1). The total and individual total amounts shall not exceed 200% of the Company's net worth.

Article 4: Unless otherwise specified, related operations for lending funds to others shall be handled by the finance department..

Article 5: Any borrower, when applying for a loan from the Company, shall submit an application or a letter describing in detail the loan amount requested, term, purpose and collateral, together with certain basic information and financial data to the Company to facilitate the evaluation of credit and risk by the Company. The finance department shall formulate the loan amount, loan duration, and calculation of interest, submit it to the Board of Directors for approval.

Any loan to others which in accordance with the Procedures, Regulation authorized by the Company or other law shall be approved by the Board of Directors, shall be subject to the approval by one-half or more of members of the Audit Committee. If the matter under the preceding paragraph has not been approved by one-half of the members of the Audit Committee, it may be approved by two-thirds or more of the Directors of the Board and the meeting minutes of the Board shall state the resolution of the Audit Committee.

The Audit Committee members and all directors of the Board referred to in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 6: Lending Funds to others should be reviewed by the supervisor of the finance department.

The main points of the audit are as follows:

- (1) Whether the loan purpose is appropriate.
- (2) Whether collateral must be obtained and appraisal of the value thereof.
- (3) Whether the accumulated loan and total amount exceed the limit.
- (4) Impact on the Company's business operations, financial condition, and shareholders' equity.
- (5) Borrower credit status and risk assessment.

Article 7: Lending Funds should be based on the principle of obtaining equivalent collateral provided by the borrower. If necessary, the mortgage setting of movable or immovable property can be handled; if a bill is used as a security, another guarantor should be sought for endorsement.

Article 8: Term of lending fund shall not exceed 1 year, and its interest rate shall not be lower than the minimum interest rate of short-term loans from financial institutions.

Article 9: When lending funds is contemplated by the Company to its Subsidiary, an approval from the Board of Directors shall be obtained, and the Chairman shall be authorized to handle the matter within the specific amount of fund lending to the same party approved by the Board of Directors and the lending is authorized in installment or revolver within 1 year. The financial department can execute it depending on the loan fund demand. The certain limit mentioned above, except for foreign companies of which the company holds direct or indirect 100% of the voting shares, the credit limit of the fund loaned by the Company or subsidiaries to a single enterprise shall not exceed 10% of the net worth of the Company's latest financial statements.

Article 10: After the loan is launched, the finance department should pay attention to the relevant credit status of the borrower and the guarantor and the guarantee value of the collateral. In case of major changes, they shall immediately report to the Chairman in writing and take appropriate measures according to the instructions.

Article 11: Before the loan term expires, the finance department shall notify the borrower to pay off the principal and interest of the loan. If the event that a loan is overdue and not repaid, the borrower shall be reimburse according to law.

Article 12: The finance department shall establish and maintain a memorandum book for its fund lending activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending date, duration, calculation of interest, and collateral. At the same time, evaluate the loan and situation of the funds and provide adequate bad debts allowance, and appropriately disclose relevant information in the financial report.

Article 13: The finance department of the Company shall announce and declare the capital loan and data before the 10th day of each month in accordance with the time limit prescribed by the security regulatory authority. If the capital loan and amount reaches one of the following levels, they shall announce within 2 days from the date of the occurrence:

- (1) The aggregate balance of loans to others by the Company and its Subsidiaries reaches 20% or more of the Company's net worth
- (2) The balance of loans by the Company and its Subsidiaries to a single enterprise reaches 10% or more of the Company's net worth.
- (3) The amount of new loans of funds by the Company or its Subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth.

The term "Date of occurrence " refers to the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the transaction counterpart and financing amount of the transaction , whichever date is earlier.

Article 14: According to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the auditors shall audit the procedures and the implementation thereof quarterly and prepare for written records accordingly. They shall promptly notify the audit committee in writing if material violations were found.

Article 15: Should a borrower no longer satisfy the criteria set forth in the relevant regulations and/or the Procedures or there be any excess over the lending limit due to unexpected changes of the Company or its Subsidiaries, a correction plan has to be provided to the Audit Committee (if any) and the Board of Directors and the proposed correction actions should be implemented within the period specified in such plan.

Article 16: Under the circumstances that the managers or personnel violate the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or the Procedures, penalties will be imposed based on the Company’s regulations depending on the degree of its damage to the Company’s operation.

Article 17: Where a Subsidiary of the Company proposes to grant a loan to a third party, the Company shall require the Subsidiary to establish procedures for granting of loans in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the announce and declaration of such Procedures shall be made according to Article 13.

Article 18: The Procedures shall be reviewed by the Audit Committee and submitted to the Board of Directors for discussion in accordance with Article 5 (2). The Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Article 19: The Procedures shall take effect upon passage by the Board of Directors and approval of the shareholders' meeting, and the same procedures shall apply to any subsequent amendments. Unspecified matters shall be governed by the internal policies of the Company unless as otherwise provided.

Appendix 4

Eternal Materials Co., Ltd.

Procedures for Endorsement & Guarantee

Article 1: The Procedures for Endorsement and Guarantee (the “Procedures”) set forth below are the guidelines for the Company and its subsidiaries to make endorsements and/or guarantees to outside parties. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

"Subsidiary" and "parent company" as referred to in the Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China ("ROC"). "Net worth" as referred to in the Procedures shall be equity attributable to owners of the parent company in the balance sheet which shall be audited by a certified public accountant.

Article 2: Endorsements/guarantees used in the Procedures refer to the following:

- (1) Financing endorsement/guarantee, which refers to bill discount financing, endorsement or guarantee made to meet the financing needs of another company, and issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
- (2) Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
- (3) Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Procedures.

Article 3: The Company may make Endorsement and/or guarantee for the following companies and the maximum amount limits for endorsements and guarantees :

- (1) The Company may make endorsement /guarantee for the companies in which the Company directly or indirectly holds more than 50% of the voting shares. Shareholders making endorsements and/or guarantees for their jointly invested company in proportion to their shareholding percentage, shall not be subject to the restriction set forth in the above Paragraph, and may provide such endorsements/guarantees.
- (2) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, except for the companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

Article 4: The company may set the maximum amount limit for the total amount of endorsement guarantee and the limit for single enterprise endorsement/guarantee as follows:

- (1) The total maximum amount of endorsement/guarantee shall not exceed the net worth of the Company.
- (2) The total maximum amount of endorsement/guarantee for a single enterprise shall not exceed the net worth of the Company.

The total amount of the endorsement/ guarantees of the Company and its Subsidiaries as a whole and the amount of endorsement guarantees for a single enterprise shall be separately set as follows:

- (1) The total amount of endorsement/ guarantee made by the Company and its subsidiaries shall not exceed the net worth of the company.
- (2) The total amount of the endorsement/guarantee made by the Company and its subsidiaries to any individual entity shall not exceed the Company's net worth.

If the total amount of endorsements and guarantees by the Company and its subsidiaries as a whole reaches 50% or more of the Company's net worth, an explanation of the necessity and reasonableness thereof shall be given at a shareholders' meeting.

Article 5: The Company shall obtain approval by resolution of the Board before it may make any endorsement or guarantee. And the relevant circumstances of the handling shall be reported to the shareholders meeting for reference. However, during the period when the Board of Directors is adjourned, the Board may grant discretionary authority to the Chairman to decide on an endorsement or guarantee within a certain monetary limit and subsequently submit the matter to the Board meeting for retroactive recognition.

The endorsement guarantee shall be approved by the Board of Directors pursuant to the Procedure, the Company's authorization method or other legal provisions, and shall first be approved by more than one-half of all members of the audit committee. If not, more than two-thirds of all directors may agree to do so, and the resolutions of the audit committee shall be stated in the minutes of the board meeting.

The Audit Committee members and all directors of the Board referred to in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Before the subsidiaries in which the Company directly and indirectly holds 90% of the voting shares, makes an endorsement/guarantee to each other, Paragraph 2, Article 3 shall be complied with and the proposal shall be submitted to the Board for resolution. This restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

If the Company makes endorsement/guarantee for a foreign company, the letter of guarantee issued by the Company shall be signed by the Chairman of the Board or any Director authorized by the Board of Directors.

Article 6: For making an endorsement or guarantee, the Company shall diligently assess and reviews the risk of the endorsement guarantee pursuant to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies as well as keep an assessment record, and obtain collateral if necessary.

For circumstances in which an entity endorsed or guaranteed whose net worth is lower than half of its paid-in capital, the working capital should be evaluated for reasonableness when the endorsement guarantee is made.

In the case of a subsidiary of the Company whose shares have no par value or a par value other than NT\$10, the paid-in capital referred to in the preceding paragraph shall refer to the sum of the share capital plus the capital reserve minus the original issue premium.

Article 7. The Company shall establish a log book for its endorsement and guarantee activities and shall record details of each endorsement/guarantee, including the endorsed/guaranteed entity, risk assessment results, amount, date of passage by the Board or authorized discretionary decision by the Chairman, endorsement/guarantee date, contents of the collateral, and dates of the termination of the endorsement or guarantee.

Article 8: The Company shall use the corporate seals registered with the Ministry of Economic Affairs (MOEA) as the dedicated seals for making endorsements and guarantees. The seals shall be kept in the custody of a designated person, and the fixed rules of procedure shall be complied with before the seals may be used or a negotiable instrument issued.

Article 9: In addition to the deadline specified by the securities authority, the finance department of the Company announces the balance of the endorsement/guarantee before the 10th of each month. If the balance of the endorsement guarantee reaches one of the following levels, the Company shall announce such event within 2 days from the date of the occurrence:

- (1) The Company and its subsidiaries' balance of endorsements/guarantees reaches 50% or more of the Company's net worth.
- (2) The Company and its subsidiaries' balance of endorsements/guarantees to one single enterprise reaches 20% or more of the Company's net worth.
- (3) The balance of endorsement and guarantee by the Company and its subsidiaries to a single enterprise reaches NT \$10 million or more, and the aggregate amount of endorsement/ guarantee, long-term investment, and capital-lending is more than 30% of our net worth.
- (4) The value of the Company or its subsidiaries' new endorsements/guarantees reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth.

The term "Date of occurrence " refers to the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the transaction counterpart and financing amount of the transaction , whichever date is earlier.

Article 10: Other disclosures:

- (1) If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made no longer meets the requirements of the Procedures, or the amount of endorsement/guarantee exceeds the limit because of changed in the calculation basis, the Finance department shall eliminate the additional amount or adopt correction plans and submit the correction plans to the Board of Directors, and shall complete rectification according to the timeframe set out in the plans.
- (2) Where a subsidiary of the Company intends to make endorsements/guarantees for others, the Company shall instruct it to formulate its own operational procedures for endorsement and guarantee in compliance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies of the R.O.C., and the subsidiary shall comply with its own procedures while making endorsements/guarantees. The Company shall also handle announcements and declarations in accordance with Article 9.
- (3) The Company shall evaluate or record the contingent loss for endorsement/guarantee, and shall adequately disclose information of endorsement/guarantees in its financial reports and provide Certified Public Accountants with relevant information for their implementation of necessary audit procedures.

- Article 11: When the managers or personnel violate “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,” penalties will be imposed based on the Company’s regulations depending on the degree of its damage to the Company’s operation.
- Article 12: Pursuant to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the internal audit personnel shall at least quarterly audit the operational procedures for making endorsements and guarantees and the execution thereof, and prepare written records accordingly. If any material violation is found, it shall immediately be reported in writing to all Supervisors.
- Article 13: The Procedures shall be reviewed by the Audit Committee and submitted to the Board of Directors for discussion pursuant to Article 5(2), the opinion of each independent Director shall be given full consideration, and each independent Director's explicit opinion of assent or dissent and reasons for dissent shall be recorded in the minutes of the Board of Directors meeting.
- Article 14: The Procedures shall take effect upon passage by the Board of Directors and approval of the shareholders' meeting, and the same procedures shall apply to any subsequent amendments. Unspecified matters shall be governed by the internal policies of the Company unless as otherwise provided.

Appendix 5

Eternal Materials Co., Ltd.

Regulations Governing Election of Directors of the Board

- Article 1: Except as otherwise provided by laws and regulations or the Articles of Incorporation, the election of directors of the Board shall be conducted in accordance with the Regulations.
- Article 2: More than half of the directors of the Board shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director of the Board.
- Article 3: The qualifications for and election of the independent directors of the Board shall comply with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and related regulations of the regulator.
- Article 4: The election of the Directors shall be conducted in accordance with the candidate nomination system.
When the number of the Directors falls below five due to the dismissal of a director of the Board for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of the Directors falls short by one-third of the total number prescribed in the Articles of Incorporation, the Company shall call an extraordinary shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
When the number of the Independent Directors falls below that required under Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the Independent Directors are dismissed en masse, an extraordinary shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- Article 5: The single-name cumulative voting method shall be used for the election of the directors of the Board. Each share will have voting rights in number equal to the Directors of the Board to be elected, and may be cast for a single candidate or split among multiple candidates.
Independent and non-independent Directors shall be elected at the same time, but in separately calculated numbers.
- Article 6: When the directors of the Board are elected, shareholders may choose to exercise their right to vote by means of electronic or on-site voting.
Shareholders referred to in the preceding paragraph who exercise their right to vote by means of electronic voting shall exercise their right to vote on the electronic voting platform designated by the Company.
The Company shall prepare ballots for the directors of Board in number corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to

the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7: The number of the Directors of the Board will be as specified in the Articles of Incorporation, with voting rights separately calculated for Independent and non-independent Directors. Those receiving ballots representing the higher numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.

Article 8: Before an election begins, the chair shall appoint a number of persons with a shareholder status to perform the respective duties of the vote monitoring and counting personnel. The ballot boxes shall be prepared by the Company and publicly checked by the vote monitoring personnel before voting commences.

Article 9: If a candidate is a shareholder, a voter shall enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the name of each respective representative shall be entered; however, only one representative's name shall be entered in a ballot paper.

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

1. The ballot is not prepared by the Company.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name (or name) or shareholder account number (or identity card number), except as otherwise provided by Article 9.
6. Two or more candidates are entered in the same ballot paper.
7. No shareholder account number or identity card number is provided in the ballot.

Article 11: The voting rights shall be calculated on site immediately after the end of voting, and the list of persons elected as the directors of the Board shall be announced by the chairperson or a person designated by the chairperson on site.

Article 12: The Regulations and any amendments hereto shall be implemented after approval in a shareholders' meeting.

Appendix 6

Shareholding of Directors

Position	Name	Book Closure Date for the Shareholder's Meeting As of April 20, 2020
Chairman	Kao, Kuo-Lun	50,138,856
Vice Chairman	Hsieh, Chin-Kun	722,595
Director of the Board	Kwang Yang Motor Co., Ltd.	124,000,000
	Representative: Ko, Chun-Ping	-
Director of the Board	Kao, Ying-Chih	19,851,560
Director of the Board	Yang, Huai-Kung	16,175,900
Director of the Board	Huang, Wu-Tung	3,921,010
Director of the Board	Shiao, Tzu-Fei	558,416
Director of the Board	Yan Shu-Fen	299,235
Number of shares held by all directors excluding independent directors	Total	215,667,572
Independent Director	Hung, Lee-Jung	-
Independent Director	Luo Li-Chun	-
Number of Shares Held by All Directors of the Board	Total	215,667,572

Election Date: June 26, 2019

The Company's paid-in capital was NT\$12,402,794,550, with 1,240,279,455 shares.
Statutory minimum number of shares held by all directors of the Board: 32,000,000 (Note)

Note: According to Paragraph 2, Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors other than the independent directors and shall be decreased by 20%.

Statutory minimum number of shares held by all supervisors: N/A

The shareholding of all directors of the Board conformed to the ratio set forth in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Appendix 7

Others

Proposals submitted by shareholders were processed as follows:

1. According to Article 172-1 of the Company Act, shareholder holding 1% of the total number of issued shares or more may submit to the Company a written proposal for discussion at a regular shareholders' meeting. Such proposals, however, are limited to one item only. Shareholder-submitted proposals are limited to 300 words.
2. For this year's annual shareholders' meeting, the Company has announced the period of collection of proposals from shareholders from April 13, 2020 to 5:00 p.m. on April 23, 2020 on the Market Observation Post System.
3. As of the deadline, the Company has not received any proposals from shareholders.