



## **2025 Annual General Meeting of Shareholders**

### **Meeting Handbook**

Date: June 17, 2025

Venue: 3F, No.24, Sec. 1, Hangzhou S. Rd., Taipei City, GIS Convention Center

Note: This is a translation of the meeting handbook of the 2025 Annual general meeting of shareholders of Chung Hwa Pulp Corporation. This translation is intended for reference only and nothing else, the company here by disclaims any and all liabilities whatsoever for the translation. The Chinese text of the handbook shall govern all and any matters related to the interpretation of the subject matter stated herein.

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(Complete financial reports available at: <https://mops.twse.com.tw>)

# **Chung Hwa Pulp Corporation**

## **The Meeting Agenda of 2025 Annual General Meeting of Shareholders**

Date and Time: June 17, 2025 (Tuesday), 9 A.M. (Taipei Time)

Venue: 3F, No.24, Sec. 1, Hangzhou S. Rd., Taipei City. GIS MOTC Convention Center

Convocation method: Physical

### **Meeting Procedure:**

1. Meeting Called to Order
2. Chairperson Taking Seat
3. Chairperson's Remarks
4. Items to Report
5. Ratifications
6. Discussions and Elections
7. Extraordinary Motions
8. Meeting Adjourned

## Report Items

1. CHP's 2024 Business Report is presented for review.

Proposed by the Board of Directors

Description:

- (1) CHP's 2024 consolidated revenue is reported at NT\$20,767,530 thousand, gross profit at NT\$1,544,938 thousand, operating loss at NT\$550,757 thousand, net loss for the current year at NT\$222,475 thousand, of which NT\$252,123 thousand was attributed to the owners' net profit; Net loss per share was NT\$0.23.
- (2) Please refer to Appendices 1-3 (please refer to pages 8 to 30) for the Business Report and the related financial statements.

2. Audit Committee's Review of 2024 Financial Statements is presented for review.

Proposed by the Audit Committee

Description:

CHP's 2024 consolidated and individual financial statements have been audited and certified by CPAs, and the statements, business report, and deficit compensation table have been reviewed by the Audit Committee. Please refer to Appendices 1-5 (please refer to pages 8 to 32).

3. CHP's 2024 Distribution of Remuneration to Employees and Directors is presented for review.

Proposed by the Board of Directors

Description:

The Company will not pay remuneration to employees or directors due to the resulting loss of the annual income settlement for 2024. This case was deliberated and approved by the seventh meeting of the fifth Remuneration Committee on March 10, 2025 and by the fourteenth meeting of the nineteenth Board of Directors on March 14, 2025. Please report to the shareholders' meeting in accordance with the Company's Articles of Incorporation.

4. Report on the progress of treasury stock execution and transfer to employees is presented for review.

Proposed by the Board of Directors

Description:

- (1) The treasury stock execution and transfer to employees was performed pursuant to Article 28-2, Paragraph 7 of the Securities and Exchange Act, and based on the resolutions passed at the twelfth and thirteenth (extraordinary) Board Meetings of the Company's nineteenth Board of Directors.
- (2) On May 14, 2020, the Board of Directors passed a resolution to repurchase 30,000,000 shares and transfer these shares to employees.
- (3) The share repurchase has been carried out as follows:

I.	Phase of repurchase:	Third
II.	Purpose of repurchase:	To transfer shares to employees
III.	Repurchase period:	2020/5/15-2020/7/14
IV.	Repurchase price range:	NT\$7.70 to 9.07 per share

V.	Type and quantity of repurchased shares:	15,944,000 common shares
VI.	Amount of repurchased shares:	NT\$136,726,350
VII.	Average repurchase price per share:	NT\$8.58
VIII.	Number of shares transferred to employees:	15,944,000 common shares
IX.	Date of transfer to Employees:	2025/3/11
X.	Accumulated quantity of Company shares held:	0 shares
XI.	Accumulated quantity of Company shares held to issued shares (%):	0%

## Ratifications

1. CHP's 2024 Financial Statements is presented for ratification.

Proposed by the Board of Directors

Description:

The Company's 2024 financial statements have been audited by the CPAs, and the statements and business report have been reviewed by the Audit Committee. Please refer to Appendices 1 - 4 (please refer to pages 8 to 31) for details.

Resolution:

2. CHP's 2024 Deficit Compensation Proposal is presented for ratification.

Proposed by the Board of Directors

Description:

- (1) The Company's undistributed earnings at the beginning of 2024 was NT\$1,483,203,867; after deducting the net loss after tax of NT\$252,123,696, recognizing changes in investee equity of NT\$6,313,596 and adding the confirmed welfare plan remeasurement of NT\$20,892,915, the accumulated undistributed earnings at the end of the period is NT\$1,258,286,682.
- (2) The Company will not pay dividends to shareholders due to the after-tax losses in 2024.
- (3) Please refer to Appendix 5 for details of the deficit compensation table for 2024 (please refer to page 32) for details.

Resolution:

## Discussions and Elections

1. Proposal of amendment to the Company's Articles of Incorporation. Please proceed to discuss.

Proposed by the Board of Directors

### Explanation:

- (1) Pursuant to Order Jin-Guan-Zheng-Fa-Zi No. 1130385442 dated November 8, 2024, and pursuant to Article 14, Paragraph 6 of the Securities and Exchange Act, companies with stocks listed on the stock exchange shall stipulate in their Articles of Incorporation a percentage of their annual profits to be distributed to non-managerial employees in the form of salary adjustments or distributed remuneration. The Company's Articles of Incorporation have therefore been amended to meet these requirements.
- (2) Please refer to Appendix 6 (see pages 33 to 39) for the full text and the comparison table of the amended articles of "the Articles of Incorporation".

### Resolution:

2. 20th election for 4 director seats and 3 independent director seats.

Proposed by the Board of Directors

### Explanation:

- (1) CHP's current directors were elected at the shareholders' meeting held on June 17, 2022, and their three-year terms have ended.
- (2) Pursuant to Article 21 of the Company's Articles of Incorporation: "The Company shall have seven to eleven directors. The Board meeting is authorized to approve the number of directors within that range. A candidate nomination system shall be adopted. Candidates shall be nominated and elected at the shareholders' meeting from the list of candidates in accordance with Article 198 of the Company Act. The term of office shall be three years, and directors may be eligible for re-election." "The number of independent directors shall be at least three, and shall not be less than one-fifth of the total number of directors specified in the preceding paragraph."
- (3) To comply with the Company's Articles of Incorporation and in accordance with the current practice and needs of the Board of Directors, four directors and three independent directors shall be elected for the twentieth Board of Directors. These directors shall begin serving their terms after being elected by the shareholders' meeting on June 17, 2025, and their terms shall last for 3 years until June 16, 2028.
- (4) The Company's director elections are conducted using a candidate nomination system. The Company's Board of Directors shall propose a list of candidates for director and independent director seats to the Company. For more details, please refer to Appendix 7 (see pages 40).
- (5) Please to vote for director and independent director candidates from the list of nominees pursuant to the Company's Election Rules for Directors.

### Elections Results:

3. Proposal to remove the non-competition restriction for Company's new directors and the institutional entities they represent is hereby presented for resolution.

Proposed by the Board of Directors

Explanation:

- (1) Proposal made pursuant Article 209, Paragraph 1 of the Company Act, which states "A Director who acts in his own interests or on behalf of another person within the scope of the company's business operations, shall explain to the shareholders' meeting the essential contents of such actions and secure the Meeting's approval."
- (2) The Company's newly-appointed directors and the legal persons they represent may either invest in or operate other companies that are related or similar to the scope of the Company's business operations. So long as it does not hinder their duties as directors, they may request the shareholders to lift non-compete restrictions for the directors and the legal persons they represent pursuant to the law.
- (3) The content of the proposal to remove non-compete restrictions on directors is detailed in Appendix 9 (see page 43).

Resolution:



## Extraordinary Motions

# Appendix

## Appendix 1

### 2024 Business Report

As global trade gradually picks up in 2024, Taiwan has benefited from the development of new emerging technologies, experiencing higher than expected export and investment growth. Data forecasts released by the Directorate-General of Budget, Accounting and Statistics at the end of November indicates that the economy is expected to grow by 4.27% in 2024, an upward revision of 0.37 percentage points. Looking ahead to 2025, the World Economic Situation and Prospects (WESP) report released by the United Nations in early January 2025 slightly adjusted forecast global economic growth for 2025 upwards to 2.8%. However, Taiwan still faces risks from uncertainties related to geopolitical issues and the potential for conservative policies to disrupt trade. In addition, the two major economies of the United States and China have also been impacted by consumer and investment issues respectively, leading to 2025 remaining a year full of challenges for each industry.

The paper pulp industry in 2024 has been greatly affected by the overall economic climate and economic policies. Traditional industries have been significantly impacted by China's economic stagnation and production oversupply, leading to weaker than expected economic recovery momentum. The paper pulp industry has been similarly affected. Looking back on pulp prices for the first half of 2024, pulp prices rose steadily due to strong support from declining costs and a reduction in labor strikes. However, in the second half of the year the weak global economy and sluggish demand for final consumer products, along with the news that China and South Africa will gradually add millions of tons of new pulp production capacity, led to decreased market confidence and a price decline in the traditional off-season, with prices only stabilizing during the peak season in December. Looking ahead to 2025, supply and demand in the pulp market will remain being affected by factors such as raw materials, energy resources, labor, and transportation. However, as countries around the world continue to increase consumption demand and stabilize economic growth, and as global interest rates cuts take place, there is hope for demand in the pulp industry to stabilize. Nevertheless, the challenge of how to adapt to changing product demand in the consumer market remains. Additionally, as international environmental policies become stricter and businesses and consumers become more environmentally-conscious, pulp and paper products increasingly need to be made from sustainable wood fibers. Chung Hua Pulp Corporation will put a greater focus on the development of environmentally-friendly products and promote energy conservation, carbon reduction, and environmental-friendliness throughout the production process. In the future, we will develop in an increasingly green and low carbon direction, in order to overcome the challenges of establishing a complete green manufacturing system.

CHP's consolidated operating income for 2024 amounted to approximately NT\$20.77 billion, a decrease of about NT\$190 million from NT\$20.96 billion in 2023. The net loss after tax attributable to

the Company in 2024 is approximately NT\$250 million. The Company produced 342,491 metric tons of pulp in 2024. In addition to 226,640 metric tons for Company use, export pulp sales were 70,898 metric tons. Paper production was 358,633 metric tons. Domestic paper sales was 168,532 metric tons and export sales was 222,495, totaling 391,027 metric tons. Cardboard production was 122,260 metric tons. Domestic cardboard sales was 122,084 metric tons and export sales was 36,558, totaling 158,642 metric tons.

CHP has long been cultivating and investing in green energy sources and products, closely in line with carbon reduction trends which put the environment first. Apart from earning renewable energy certificates from the bioenergy power generation facilities at our Hualien mill in 2023, we have also in 2024 obtained ISO 14067 Carbon Footprint of Products green power certification, and became the first in Taiwan to obtain ISO 13065 Sustainability Criteria for Bioenergy green sustainability certification. This year, we shall invest an additional NT\$3 billion into constructing new high-efficiency recycled biomass power generation facilities, greatly increasing our green power generation efficiency and moving closer towards our goal of having our entire plant become self-sufficient on green energy, producing zero emissions.

At the same time, we will actively adjust our green products portfolio, obtain third-party carbon emissions verification for the life cycle assessment (LCA) of our products, and comply with Taiwan's green procurement laws to offer a complete line of products with Forestry Stewardship Council (FSC) certification, as well as work towards obtaining environmental certification and carbon footprint labels for our other products.

In 2025, CHP will continue focusing on the development of environmentally-friendly products, move towards becoming more green and low carbon, and promote more energy-saving, carbon-reducing, and environmentally-friendly production processes in order to create a green manufacturing system and maintain steady business operations and sustainable development.

## Appendix 2

**CHUNG HWA PULP CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,365,522	3	\$ 871,911	3
Financial assets at fair value through profit or loss - current	39,621	-	61,791	-
Financial assets at fair value through other comprehensive income - current	2,601,588	7	2,183,460	6
Financial assets at amortized cost - current	236,495	1	344,755	1
Notes and accounts receivable	3,190,624	8	2,878,725	8
Notes and accounts receivable from related parties	273,898	1	308,985	1
Inventories	6,400,048	17	5,508,496	16
Biological assets	3,641,170	9	3,339,318	9
Other current assets	<u>1,046,997</u>	<u>3</u>	<u>755,539</u>	<u>2</u>
Total current assets	<u>18,795,963</u>	<u>49</u>	<u>16,252,980</u>	<u>46</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current	408,712	1	451,021	1
Financial assets at amortized cost - non-current	91,216	-	86,704	-
Investments accounted for using the equity method	1,032,248	3	871,615	3
Property, plant and equipment	15,982,335	41	15,677,388	44
Right-of-use assets	482,926	1	458,510	1
Investment properties	755,008	2	755,275	2
Deferred tax assets	366,694	1	281,426	1
Prepayments for equipment	182,219	1	102,962	-
Net defined benefit assets	391,781	1	351,695	1
Other non-current assets	<u>128,631</u>	<u>-</u>	<u>139,651</u>	<u>1</u>
Total non-current assets	<u>19,821,770</u>	<u>51</u>	<u>19,176,247</u>	<u>54</u>
<b>TOTAL</b>	<u>\$ 38,617,733</u>	<u>100</u>	<u>\$ 35,429,227</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	\$ 4,345,073	11	\$ 3,305,705	9
Short-term bills payable	7,980,992	21	7,780,171	22
Financial liabilities at fair value through profit or loss - current	16,691	-	3,768	-
Financial liabilities for hedging - current	-	-	4,155	-
Notes and accounts payable	1,706,957	5	1,565,036	5
Notes and accounts payable to related parties	337,999	1	276,116	1
Other payables	1,206,959	3	1,016,203	3
Current tax liabilities	257	-	615	-
Lease liabilities - current	42,022	-	28,891	-
Other current liabilities	<u>421,752</u>	<u>1</u>	<u>381,867</u>	<u>1</u>
Total current liabilities	<u>16,058,702</u>	<u>42</u>	<u>14,362,527</u>	<u>41</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings	2,022,787	5	1,270,467	4
Deferred tax liabilities	2,081,059	5	2,075,915	6
Lease liabilities - non-current	34,605	-	31,476	-
Other non-current liabilities	<u>227,874</u>	<u>1</u>	<u>204,948</u>	<u>-</u>
Total non-current liabilities	<u>4,366,325</u>	<u>11</u>	<u>3,582,806</u>	<u>10</u>
Total liabilities	<u>20,425,027</u>	<u>53</u>	<u>17,945,333</u>	<u>51</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Share capital	<u>11,028,353</u>	<u>29</u>	<u>11,028,353</u>	<u>31</u>
Capital surplus	<u>38,480</u>	<u>-</u>	<u>39,116</u>	<u>-</u>
Retained earnings				
Legal reserve	316,847	1	316,847	1
Special reserve	1,186,894	3	1,186,894	3
Unappropriated earnings	<u>1,258,287</u>	<u>3</u>	<u>1,483,204</u>	<u>4</u>
Total retained earnings	<u>2,762,028</u>	<u>7</u>	<u>2,986,945</u>	<u>8</u>
Other equity	<u>2,005,942</u>	<u>5</u>	<u>1,247,798</u>	<u>4</u>
Treasury shares	<u>(136,726)</u>	<u>-</u>	<u>(136,726)</u>	<u>-</u>
Total equity attributable to owners of the Company	15,698,077	41	15,165,486	43
<b>NON-CONTROLLING INTERESTS</b>	<u>2,494,629</u>	<u>6</u>	<u>2,318,408</u>	<u>6</u>
Total equity	<u>18,192,706</u>	<u>47</u>	<u>17,483,894</u>	<u>49</u>
<b>TOTAL</b>	<u>\$ 38,617,733</u>	<u>100</u>	<u>\$ 35,429,227</u>	<u>100</u>

# CHUNG HWA PULP CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales	\$ 20,831,582	100	\$ 21,049,669	100
Sales returns and allowances	<u>220,352</u>	<u>1</u>	<u>227,110</u>	<u>1</u>
Net sales	20,611,230	99	20,822,559	99
Other operating revenue	<u>156,300</u>	<u>1</u>	<u>132,892</u>	<u>1</u>
Total operating revenue	<u>20,767,530</u>	<u>100</u>	<u>20,955,451</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold	19,157,722	92	19,796,745	95
Other operating cost	<u>65,687</u>	<u>-</u>	<u>67,942</u>	<u>-</u>
Total operating costs	<u>19,223,409</u>	<u>92</u>	<u>19,864,687</u>	<u>95</u>
GAIN (LOSS) FROM CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS	<u>817</u>	<u>-</u>	<u>(875)</u>	<u>-</u>
GROSS PROFIT	<u>1,544,938</u>	<u>8</u>	<u>1,089,889</u>	<u>5</u>
OPERATING EXPENSES				
Selling and marketing	1,605,852	8	1,457,540	7
General and administrative	326,761	1	313,323	1
Research and development	<u>163,082</u>	<u>1</u>	<u>178,224</u>	<u>1</u>
Total operating expenses	<u>2,095,695</u>	<u>10</u>	<u>1,949,087</u>	<u>9</u>
LOSS FROM OPERATIONS	<u>(550,757)</u>	<u>(2)</u>	<u>(859,198)</u>	<u>(4)</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs	(280,272)	(1)	(235,927)	(1)
Share of profit of associates	155,479	1	136,466	-
Interest income	49,955	-	39,860	-
Dividend income	84,233	-	66,708	-
Gain from bargain purchase	9,554	-	5,803	-
Other income	177,125	1	156,013	1
Gain on disposal of property, plant and equipment	398	-	59	-
Gain on disposal of investments	52	-	1	-
Foreign exchange gain	128,234	-	3,825	-
Loss on financial instruments at FVTPL	(71,975)	-	(8,553)	-
Other losses	<u>(8,669)</u>	<u>-</u>	<u>(4,305)</u>	<u>-</u>
Total non-operating income and expenses	<u>244,114</u>	<u>1</u>	<u>159,950</u>	<u>-</u>

(Continued)

# CHUNG HWA PULP CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2024		2023	
	Amount	%	Amount	%
LOSS BEFORE INCOME TAX	\$ (306,643)	(1)	\$ (699,248)	(4)
INCOME TAX BENEFIT	<u>84,168</u>	<u>-</u>	<u>144,751</u>	<u>1</u>
NET LOSS FOR THE YEAR	<u>(222,475)</u>	<u>(1)</u>	<u>(554,497)</u>	<u>(3)</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	26,059	-	(34,729)	-
Unrealized gain on investments in equity instruments at FVTOCI	375,817	2	331,184	2
Share of the other comprehensive income of associates	60,175	-	47,561	-
Tax effect of items that will not be reclassified	(5,212)	-	6,946	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	430,319	2	(99,974)	(1)
Gain (loss) on hedging instruments	6,034	-	(6,034)	-
Share of other comprehensive income (loss) of associates	<u>13,623</u>	<u>-</u>	<u>(7,630)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>906,815</u>	<u>4</u>	<u>237,324</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 684,340</u>	<u>3</u>	<u>\$ (317,173)</u>	<u>(2)</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (252,123)	(1)	\$ (573,395)	(3)
Non-controlling interests	<u>29,648</u>	<u>-</u>	<u>18,898</u>	<u>-</u>
	<u>\$ (222,475)</u>	<u>(1)</u>	<u>\$ (554,497)</u>	<u>(3)</u>

(Continued)

# CHUNG HWA PULP CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2024		2023	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 533,228	2	\$ (296,215)	(2)
Non-controlling interests	<u>151,112</u>	<u>1</u>	<u>(20,958)</u>	<u>-</u>
	<u>\$ 684,340</u>	<u>3</u>	<u>\$ (317,173)</u>	<u>(2)</u>
LOSS PER SHARE				
Basic	<u>\$ (0.23)</u>		<u>\$ (0.53)</u>	

(Concluded)

CHUNG HWA PULP CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company													
								Other Equity						
	Share Capital		Capital Surplus	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instrument	Treasury Share	Total	Non-controlling Interests	Total Equity
	Shares ( In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE AT JANUARY 1, 2023	1,102,835	\$ 11,028,353	\$ 35,632	\$ 268,212	\$ 1,186,894	\$ 2,456,364	\$ 3,911,470	\$ (153,000)	\$ 1,098,713	\$ -	\$ (136,726)	\$ 15,784,442	\$ 2,310,168	\$ 18,094,610
Appropriation of 2022 earnings														
Legal reserve	-	-	-	48,635	-	(48,635)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(326,067)	(326,067)	-	-	-	-	(326,067)	-	(326,067)
Adjustments for the changes in equity of associates	-	-	1,873	-	-	(158)	(158)	-	-	-	-	1,715	-	1,715
Unclaimed dividends	-	-	1,077	-	-	-	-	-	-	-	-	1,077	-	1,077
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	(573,395)	(573,395)	-	-	-	-	(573,395)	18,898	(554,497)
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	-	(28,854)	(28,854)	(67,748)	379,816	(6,034)	-	277,180	(39,856)	237,324
Total comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	-	(602,249)	(602,249)	(67,748)	379,816	(6,034)	-	(296,215)	(20,958)	(317,173)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	29,198	29,198
Disposal of investments accounted for using the equity method	-	-	534	-	-	183	183	-	(183)	-	-	534	-	534
Disposal of investments in equity instruments designated as at FVTOCI by associates	-	-	-	-	-	3,766	3,766	-	(3,766)	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	1,102,835	11,028,353	39,116	316,847	1,186,894	1,483,204	2,986,945	(220,748)	1,474,580	(6,034)	(136,726)	15,165,486	2,318,408	17,483,894
Adjustments for the changes in equity of associates	-	-	(3,233)	-	-	(1)	(1)	-	-	-	-	(3,234)	-	(3,234)
Unclaimed dividends	-	-	764	-	-	-	-	-	-	-	-	764	-	764
Net (loss) profit for the year ended December 31, 2024	-	-	-	-	-	(252,123)	(252,123)	-	-	-	-	(252,123)	29,648	(222,475)
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	20,894	20,894	322,478	435,945	6,034	-	785,351	121,464	906,815
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(231,229)	(231,229)	322,478	435,945	6,034	-	533,228	151,112	684,340
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	25,109	25,109
Disposal of investments accounted for using the equity method	-	-	1,833	-	-	816	816	-	(816)	-	-	1,833	-	1,833
Disposal of investments in equity instruments designated as at FVTOCI by associates	-	-	-	-	-	5,497	5,497	-	(5,497)	-	-	-	-	-
BALANCE AT DECEMBER 31, 2024	<u>1,102,835</u>	<u>\$ 11,028,353</u>	<u>\$ 38,480</u>	<u>\$ 316,847</u>	<u>\$ 1,186,894</u>	<u>\$ 1,258,287</u>	<u>\$ 2,762,028</u>	<u>\$ 101,730</u>	<u>\$ 1,904,212</u>	<u>\$ -</u>	<u>\$ (136,726)</u>	<u>\$ 15,698,077</u>	<u>\$ 2,494,629</u>	<u>\$ 18,192,706</u>



# CHUNG HWA PULP CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	\$ (306,643)	\$ (699,248)
Adjustments for:		
Depreciation and amortization expenses	1,244,609	1,214,336
Expected credit (reversed) loss	(20,200)	39,765
Loss on financial instruments at FVTPL	71,975	8,553
Finance costs	280,272	235,927
Interest income	(49,955)	(39,860)
Dividend income	(84,233)	(66,708)
Share of profit of associates	(155,479)	(136,466)
Gain on disposal of property, plant and equipment	(398)	(59)
Gain on disposal of investments	(52)	(1)
Gain on lease modification	(17)	(1)
Recognition of inventories write-downs (reversed)	30,166	(19,172)
Unrealized (gain) loss on foreign currency exchange	(13,139)	47,384
(Gain) loss on changes in fair value less costs to sell of biological assets	(817)	875
Gain from bargain purchase	(9,554)	(5,803)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	(35,092)	(49,556)
Notes and accounts receivable	(219,246)	285,514
Notes and accounts receivable from related parties	35,193	174,006
Inventories	(874,243)	(516,621)
Biological assets	(125,824)	(142,126)
Other current assets	(258,914)	130,826
Net defined benefit assets	(14,027)	(20,358)
Notes and accounts payable	127,814	(189,768)
Notes and accounts payable to related parties	56,916	26,768
Other payables	168,691	(14,361)
Other current liabilities	<u>1,402</u>	<u>50,406</u>
Cash (used in) generated from operations	(150,795)	314,252
Interest received	40,684	40,684
Interest paid	(274,026)	(241,090)
Income tax paid	<u>(1,236)</u>	<u>(1,017)</u>
Net cash (used in) generated from operating activities	<u>(385,373)</u>	<u>112,829</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(224,785)	(435,183)
Proceeds from sale of financial assets at amortized cost	353,233	606,585
Purchase of financial assets at fair value through other comprehensive income	-	(81,540)
Proceeds from sale of financial instruments for hedging	1,879	(1,879)
Purchase of investments accounted for using the equity method	(12,947)	(7,912)
Payments for property, plant and equipment	<u>(1,369,181)</u>	<u>(704,391)</u>

# CHUNG HWA PULP CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from disposal of property, plant and equipment	\$ 506	\$ 60
Decrease in other receivables from related parties	-	6,272
Decrease (increase) in other non-current assets	1,693	(53,034)
(Increase) decrease in prepayments for equipment	(77,113)	27,379
Dividends received	<u>174,026</u>	<u>156,708</u>
Net cash used in investing activities	<u>(1,152,689)</u>	<u>(486,935)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	1,033,557	672,970
Increase in short-term bills payable	200,821	7,530,320
Proceeds from long-term borrowings	2,100,000	1,780,000
Repayments of long-term borrowings	(1,350,000)	(9,200,000)
Repayment of the principal portion of lease liabilities	(40,027)	(38,626)
Increase in other non-current liabilities	12,569	168
Cash dividends	-	(326,067)
Increase in non-controlling interests	25,109	29,198
Capital surplus transferred from unclaimed dividends	<u>764</u>	<u>1,077</u>
Net cash generated from financing activities	<u>1,982,793</u>	<u>449,040</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>48,880</u>	<u>(8,319)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>493,611</u>	<u>66,615</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>871,911</u>	<u>805,296</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 1,365,522</u>	<u>\$ 871,911</u>

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders  
Chung Hwa Pulp Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of Chung Hwa Pulp Corporation (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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 Group 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 Matter**

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. The matter was 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 the matter.

The key audit matter identified in the consolidated financial statements for the year ended December 31, 2024 is as follows:

#### Estimation of Expected Credit Loss of Accounts Receivable

The accounts receivable of the Group is material in amount. In consideration of the business volume, the recoverability of accounts receivable is not only subject to each customer's financial

condition but also management's estimation and judgment. Therefore, the estimation of expected credit loss recognized on accounts receivable was identified as a key audit matter.

The audit procedures that we performed in respect of the above key audit matter included the following:

1. We obtained the reports of impaired receivables impairment and assessed the reasonableness of the methodology and data used in the reports.
2. We tested the receivables aging schedule and reviewed the calculation of expected credit loss for reasonableness of the recognized expected credit loss on receivables.
3. We tested the recoverability of receivables by analyzing overdue accounts and by verifying cash receipts in the subsequent period. For a receivable that was past due but not yet received, we assessed the reasonableness of the expected credit loss based on the customer's payment history, customer's credit policy control and tracking of overdue receivables.

### **Other Matter**

We have also audited the parent company only financial statements of Chung Hwa Pulp Corporation as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

### **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 Financial Supervisory Commission 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, 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 Standards on Auditing of 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 Standards on Auditing of 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 Group'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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the 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 the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 statements 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 the matter that was of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024, and is therefore the key audit matter. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our

report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shiow-Ming Shue and Hui-Min Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2025

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.*

**CHUNG HWA PULP CORPORATION****PARENT COMPANY ONLY BALANCE SHEETS****DECEMBER 31, 2024 AND 2023****(In Thousands of New Taiwan Dollars)**

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash	\$ 363,735	1	\$ 146,520	-
Financial assets at fair value through profit or loss - current	320	-	28,773	-
Financial assets at fair value through other comprehensive income - current	2,543,674	7	2,134,854	7
Notes and accounts receivable	1,902,348	5	1,797,589	6
Accounts receivable from related parties	1,636,376	5	1,305,756	4
Inventories	5,116,623	15	4,570,253	14
Other current assets	584,243	2	407,693	1
Total current assets	12,147,319	35	10,391,438	32
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current	408,712	1	451,021	2
Investments accounted for using the equity method	6,812,658	20	6,183,814	19
Property, plant and equipment	13,754,241	39	13,636,858	42
Right-of-use assets	59,698	-	49,497	-
Investment properties	755,008	2	755,275	3
Deferred tax assets	362,647	1	277,617	1
Prepayments for equipment	158,126	1	56,445	-
Net defined benefit assets	391,781	1	351,695	1
Other non-current assets	82,130	-	80,150	-
Total non-current assets	22,785,001	65	21,842,372	68
<b>TOTAL</b>	<b>\$ 34,932,320</b>	<b>100</b>	<b>\$ 32,233,810</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	\$ 4,100,726	12	\$ 3,213,529	10
Short-term bills payable	7,980,992	23	7,780,171	24
Financial liabilities at fair value through profit or loss - current	16,691	-	198	-
Financial liabilities for hedging - current	-	-	4,155	-
Notes and accounts payable	1,409,257	4	1,350,093	4
Notes and accounts payable to related parties	338,755	1	278,394	1
Other payables	1,000,158	3	828,123	2
Lease liabilities - current	34,710	-	23,268	-
Other current liabilities	214,605	-	208,886	1
Total current liabilities	15,095,894	43	13,686,817	42
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings	2,022,787	6	1,270,467	4
Deferred tax liabilities	2,081,059	6	2,075,915	7
Lease liabilities - non-current	25,498	-	26,515	-
Other non-current liabilities	9,005	-	8,610	-
Total non-current liabilities	4,138,349	12	3,381,507	11
Total liabilities	19,234,243	55	17,068,324	53
<b>EQUITY</b>				
Share capital	11,028,353	31	11,028,353	34
Capital surplus	38,480	-	39,116	-
Retained earnings				
Legal reserve	316,847	1	316,847	1
Special reserve	1,186,894	3	1,186,894	4
Unappropriated earnings	1,258,287	4	1,483,204	4
Total retained earnings	2,762,028	8	2,986,945	9
Other equity	2,005,942	6	1,247,798	4
Treasury shares	(136,726)	-	(136,726)	-
Total equity	15,698,077	45	15,165,486	47
<b>TOTAL</b>	<b>\$ 34,932,320</b>	<b>100</b>	<b>\$ 32,233,810</b>	<b>100</b>

# CHUNG HWA PULP CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales	\$ 18,362,318	100	\$ 18,656,016	101
Sales returns and allowances	<u>220,352</u>	<u>1</u>	<u>227,110</u>	<u>1</u>
Net sales	18,141,966	99	18,428,906	100
Other operating revenue	<u>100,286</u>	<u>1</u>	<u>82,785</u>	<u>-</u>
Total operating revenue	<u>18,242,252</u>	<u>100</u>	<u>18,511,691</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold	17,030,890	94	17,733,526	96
Other operating cost	<u>24,972</u>	<u>-</u>	<u>35,080</u>	<u>-</u>
Total operating costs	<u>17,055,862</u>	<u>94</u>	<u>17,768,606</u>	<u>96</u>
GROSS PROFIT	<u>1,186,390</u>	<u>6</u>	<u>743,085</u>	<u>4</u>
OPERATING EXPENSES				
Selling and marketing	1,565,340	9	1,417,536	8
General and administrative	191,844	1	187,375	1
Research and development	<u>74,775</u>	<u>-</u>	<u>80,343</u>	<u>-</u>
Total operating expenses	<u>1,831,959</u>	<u>10</u>	<u>1,685,254</u>	<u>9</u>
LOSS FROM OPERATIONS	<u>(645,569)</u>	<u>(4)</u>	<u>(942,169)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs	(273,438)	(1)	(229,696)	(1)
Share of profit of subsidiaries and associates	335,413	2	274,674	1
Interest income	3,893	-	3,199	-
Dividend income	82,383	-	65,257	-
Other income	159,875	1	154,235	1
Gain on disposal of property, plant and equipment	500	-	60	-
Gain on disposal of investments	52	-	1	-
Foreign exchange gain	141,630	1	22,691	-
Loss on financial instruments at FVTPL	(137,741)	(1)	(65,129)	-
Other losses	<u>(4,219)</u>	<u>-</u>	<u>(1,125)</u>	<u>-</u>
Total non-operating income and expenses	<u>308,348</u>	<u>2</u>	<u>224,167</u>	<u>1</u>

(Continued)



# CHUNG HWA PULP CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2024		2023	
	Amount	%	Amount	%
LOSS BEFORE INCOME TAX	\$ (337,221)	(2)	\$ (718,002)	(4)
INCOME TAX BENEFIT	<u>85,098</u>	<u>1</u>	<u>144,607</u>	<u>1</u>
NET LOSS FOR THE YEAR	<u>(252,123)</u>	<u>(1)</u>	<u>(573,395)</u>	<u>(3)</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	26,059	-	(34,729)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	366,510	2	323,095	2
Share of the other comprehensive income of subsidiaries and associates	69,482	-	55,650	-
Tax effect of items that will not be reclassified	(5,212)	-	6,946	-
Items that may be reclassified subsequently to profit or loss:				
Gain (loss) on hedging instruments	6,034	-	(6,034)	-
Share of the other comprehensive income (loss) of subsidiaries and associates	<u>322,478</u>	<u>2</u>	<u>(67,748)</u>	<u>(1)</u>
Other comprehensive income for the year, net of income tax	<u>785,351</u>	<u>4</u>	<u>277,180</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 533,228</u>	<u>3</u>	<u>\$ (296,215)</u>	<u>(2)</u>
LOSS PER SHARE				
Basic	<u>\$ (0.23)</u>		<u>\$ (0.53)</u>	

(Concluded)

CHUNG HWA PULP CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus (Notes 4 and 18)	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Treasury Shares	Total Equity
	Shares (Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Hedging Instrument		
BALANCE AT JANUARY 1, 2023	1,102,835	\$ 11,028,353	\$ 35,632	\$ 268,212	\$ 1,186,894	\$ 2,456,364	\$ 3,911,470	\$ (153,000)	\$ 1,098,713	\$ -	\$ (136,726)	\$ 15,784,442
Appropriation of 2022 earnings												
Legal reserve	-	-	-	48,635	-	(48,635)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(326,067)	(326,067)	-	-	-	-	(326,067)
Adjustments for the changes in equity of subsidiaries and associates	-	-	1,873	-	-	(158)	(158)	-	-	-	-	1,715
Unclaimed dividend	-	-	1,077	-	-	-	-	-	-	-	-	1,077
Net loss for the year ended December 31, 2023	-	-	-	-	-	(573,395)	(573,395)	-	-	-	-	(573,395)
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	-	(28,854)	(28,854)	(67,748)	379,816	(6,034)	-	277,180
Total comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	-	(602,249)	(602,249)	(67,748)	379,816	(6,034)	-	(296,215)
Disposal of investments accounted for using the equity method	-	-	534	-	-	183	183	-	(183)	-	-	534
Disposal of investments in equity instruments designated as at FVTOCI by associates	-	-	-	-	-	3,766	3,766	-	(3,766)	-	-	-
BALANCE AT DECEMBER 31, 2023	1,102,835	11,028,353	39,116	316,847	1,186,894	1,483,204	2,986,945	(220,748)	1,474,580	(6,034)	(136,726)	15,165,486
Adjustments for the changes in equity of subsidiaries and associates	-	-	(3,233)	-	-	(1)	(1)		-	-	-	(3,234)
Unclaimed dividend	-	-	764	-	-	-	-	-	-	-	-	764
Net loss for the year ended December 31, 2024	-	-	-	-	-	(252,123)	(252,123)	-	-	-	-	(252,123)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	20,894	20,894	322,478	435,945	6,034	-	785,351
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(231,229)	(231,229)	322,478	435,945	6,034	-	533,228
Disposal of investments accounted for using the equity method	-	-	1,833	-	-	816	816	-	(816)	-	-	1,833
Disposal of investments in equity instruments designated as at FVTOCI by associates	-	-	-	-	-	5,497	5,497	-	(5,497)	-	-	-
BALANCE AT DECEMBER 31, 2024	1,102,835	\$ 11,028,353	\$ 38,480	\$ 316,847	\$ 1,186,894	\$ 1,258,287	\$ 2,762,028	\$ 101,730	\$ 1,904,212	\$ -	\$ (136,726)	\$ 15,698,077

# CHUNG HWA PULP CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	\$ (337,221)	\$ (718,002)
Adjustments for:		
Depreciation and amortization expenses	1,005,801	995,023
Expected credit (reversed) loss	(20,200)	24,387
Loss on financial instruments at FVTPL	137,741	65,129
Finance costs	273,438	229,696
Interest income	(3,893)	(3,199)
Dividend income	(82,383)	(65,257)
Share of profit of subsidiaries and associates	(335,413)	(274,674)
Net gain on disposal of property, plant and equipment	(500)	(60)
Net gain on disposal of investments	(52)	(1)
Recognition of inventories write-downs (reversed)	30,166	(16,966)
Unrealized (gain) loss on foreign currency exchange	(13,139)	47,384
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	(92,795)	(102,354)
Notes and accounts receivable	(70,385)	(197,325)
Notes and accounts receivable from related parties	(330,620)	515,509
Inventories	(576,536)	(296,980)
Other current assets	(171,883)	205,065
Net defined benefit assets	(14,027)	(20,358)
Notes payable and accounts payable	57,030	(188,210)
Notes and accounts payable to related parties	60,361	24,645
Other payables	110,020	30,074
Other current liabilities	<u>5,527</u>	<u>19,398</u>
Cash generated from operations	(368,963)	272,924
Interest received	3,893	3,199
Interest paid	(266,551)	(239,524)
Income tax paid	<u>(218)</u>	<u>(262)</u>
Net cash (used in) generated from operating activities	<u>(631,839)</u>	<u>36,337</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	(81,540)
Proceeds from the sale of financial instruments for hedging	1,879	(1,879)
Payments for property, plant and equipment	(1,021,924)	(604,479)
Proceeds from disposal of property, plant and equipment	500	60
Increase in other non-current assets	(14,192)	(15,886)
(Increase) decrease in prepayments for equipment	(101,681)	45,560
Dividend received	<u>179,562</u>	<u>177,156</u>
Net cash used in investing activities	<u>(955,856)</u>	<u>(481,008)</u>

(Continued)

## CHUNG HWA PULP CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

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	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 884,038	\$ 621,350
Increase in short-term bills payable	200,821	7,530,320
Proceeds from long-term borrowings	2,100,000	1,780,000
Repayments of long-term borrowings	(1,350,000)	(9,200,000)
Repayment of the principal portion of lease liabilities	(31,108)	(30,818)
Increase in other non-current liabilities	395	154
Cash dividends	-	(326,067)
Capital surplus transferred from unclaimed dividends	<u>764</u>	<u>1,077</u>
Net cash generated from financing activities	<u>1,804,910</u>	<u>376,016</u>
NET INCREASE (DECREASE) IN CASH	217,215	(68,655)
CASH AT THE BEGINNING OF THE YEAR	<u>146,520</u>	<u>215,175</u>
CASH AT THE END OF THE YEAR	<u>\$ 363,735</u>	<u>\$ 146,520</u>

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders  
Chung Hwa Pulp Corporation

### **Opinion**

We have audited the accompanying parent company only financial statements of Chung Hwa Pulp Corporation (the "Company") which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagement of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 Matter**

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. The matter was addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter identified in the parent company only financial statements for the year ended December 31, 2024 is as follows:

#### Estimation of Expected Credit Loss of Accounts Receivable

The accounts receivable of the Company is material in amount. In consideration of the business volume, the recoverability of accounts receivable is not only subject to each customer's financial condition but also management's estimation and judgment. Therefore, the estimation of expected credit loss recognized on accounts receivable was identified as a key audit matter.

The audit procedures that we performed in respect of the above key audit matter included the following:

1. We obtained the reports of impaired receivables impairment and assessed the reasonableness of the methodology and data used in the reports.
2. We tested the receivables aging schedule and reviewed the calculation of expected credit loss for reasonableness of the recognized expected credit loss on receivables.
3. We tested the recoverability of receivables by analyzing overdue accounts and by verifying cash receipts in the subsequent period. For a receivable that was past due but not yet received, we assessed the reasonableness of the expected credit loss based on the customer's payment history, customer's credit policy control and tracking of overdue receivables.

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

Management is responsible for the preparation and fair presentation of parent company only 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, 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 Standards on Auditing of 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with 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 statements 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 the matter that was of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024, and is therefore the key audit matter. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shiow-Ming Shue and Hui-Min Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2025

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.*



## **Audit Committee's Review Report**

The Company's 2024 business report, financial statements and proposal of deficit compensation, and auditors' reports relating to the financial statements were compiled by the Board of Directors, and have been examined and determined to be correct and accurate by the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To: 2025 Annual General Shareholders' Meeting

Chung Hwa Pulp Corporation

Audit Committee Convener: Wan-Yu Liu

March 14, 2025

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**Chung Hwa Fuip Corporation**  
 Deficit Compensation Table for 2024

UNIT: NTD

Item	Amount
A. Unappropriated earnings at beginning of the fiscal year	1,483,203,867
B. Net loss for the year ended Dec 31, 2024	(252,123,696)
C. Recognizing changes in investee equity	6,313,596
D. Re-measurement of defined benefit plans	20,892,915
Unappropriated retained earnings (After appropriation)	1,258,286,682

## Chung Hwa Pulp Corporation

### Comparison Table of Amended the Articles of Incorporation

Article Number	After Amendment	Before Amendment	Description
Article 31	<p>If the Company makes a profit every year, 1% or more of this profit shall be set aside as employee remuneration (<u>a minimum of 10% of the total employee remuneration set aside shall be distributed to non-managerial employees as employee remuneration</u>), and no more than 2% of this profit shall be set aside as director remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.</p> <p>Director remuneration may be distributed by way of cash dividends, and employee remuneration may be distributed by way of cash dividends or stock dividends. The Board of Directors shall be authorized to define the qualification requirements for employees entitled to receive shares or cash, including for the employees of subsidiaries of the Company that meet certain specific requirements. The ratio of director remuneration distributed, and the method of distribution and ratio of employee remuneration distributed, shall be resolved by a majority vote at a Board meeting attended by more than two thirds of all directors and reported to the shareholders' meeting.</p> <p>Employee and director remuneration should be calculated after first deducting any cumulative losses from the profit for the year (i.e., the profit amount before employee and director remuneration is deducted from profit before tax).</p>	<p>If the Company makes a profit every year, 1% or more of this profit shall be set aside as employee remuneration, and no more than 2% of this profit shall be set aside as director remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.</p> <p>Director remuneration may be distributed by way of cash dividends, and employee remuneration may be distributed by way of cash dividends or stock dividends. The Board of Directors shall be authorized to define the qualification requirements for employees entitled to receive shares or cash, including for the employees of subsidiaries of the Company that meet certain specific requirements. The ratio of director remuneration distributed, and the method of distribution and ratio of employee remuneration distributed, shall be resolved by a majority vote at a Board meeting attended by more than two thirds of all directors and reported to the shareholders' meeting.</p> <p>Employee and director remuneration should be calculated after first deducting any cumulative losses from the profit for the year (i.e., the profit amount before employee and director remuneration is deducted from profit before tax).</p>	This Article has been amended to comply with Article 14, Paragraph 6 of the Securities and Exchange Act.
Article 35	The Articles of Incorporation were established on July 5th, 1968 (the 1st to the 48th amendments were made, dates omitted), <u>and 49th amended on June 17, 2025.</u>	The Articles of Incorporation were established on July 5th, 1968 (the 1st to the 48th amendments were made, dates omitted).	Added the date of the 49th amendment.

# Chung Hwa Pulp Corporation

## Articles of Incorporation

### Chapter I General Provisions

- Article 1 The Company shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name is 中華紙漿股份有限公司, and Chung Hwa Pulp Corporation in the English language.
- Article 2 The Company's scope of business is as follows:
- I. A101011 Seeding.
  - II. A201010 Forestation.
  - III. A201030 Special forest business.
  - IV. A202040 Logging.
  - V. A299990 Other logging services.
  - VI. C301010 Spinning of yarn.
  - VII. C501010 Lumbering.
  - VIII. C501030 Plywood manufacturing.
  - IX. C501040 Reconstituted wood manufacturing.
  - X. C601010 Pulp manufacturing.
  - XI. C601020 Paper manufacturing.
  - XII. C601030 Paper containers manufacturing.
  - XIII. C601040 Processed paper manufacturing.
  - XIV. C601050 Domestic and sanitary paper products manufacturing.
  - XV. C601990 Manufacture of other paper products.
  - XVI. C801010 Basic industrial chemical manufacturing.
  - XVII. C801100 Synthetic resin and plastic manufacturing.
  - XVIII. C802090 Cleaning products manufacturing.
  - XIX. C802120 Industrial and additive manufacturing.
  - XX. C802160 Adhesive tapes manufacturing.
  - XXI. C805010 Plastic sheets, pipes and tubes manufacturing.
  - XXII. C805020 Plastic sheets & bags manufacturing.
  - XXIII. C114010 Food additives manufacturing.
  - XXV. CB01010 Machinery and equipment manufacturing.
  - XXVI. CZ99990 Other industrial products manufacturing not elsewhere classified.
  - XXVII. D101050 Steam and electricity paragenesis.
  - XXVIII. F107030 Wholesale of cleaning preparations.
  - XXIX. F107190 Wholesale of plastic sheets & bags.
  - XXX. F107200 Wholesale of chemistry raw material.
  - XXXI. F107990 Wholesale of other chemical products.
  - XXXII. F113010 Wholesale of machinery.
  - XXXIII. F113990 Wholesale of other machinery and tools.
  - XXXIV. F121010 Wholesale of food additives.

XXXV.F207030 Retail sale of cleaning preparations.  
 XXXVI.F207190 Retail sale of plastic sheets & bags.  
 XXXVII.F207200 Retail sale of chemistry raw material.  
 XXXVIII.F213080 Retail sale of other machinery and equipment.  
 XXXIX.F221010 Retail of food additives.  
 XL.F299990 Retail sale of other retail trade not elsewhere classified.  
 XLI.F399040 Retail business without shop.  
 XLII.F401010 International trade.  
 XLIII.H701010 Residence and buildings lease construction and development.  
 XLIV.H701040 Specialized field construction and development.  
 XLV.H701060 New county and community construction and investment.  
 XLVI.H701090 Renovation, or maintenance within the renewal area.  
 XLVII.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 3 The Company has established its headquarters in Hualien County, Taiwan, and opens subsidiaries or branch offices and production/marketing units as needed.
- Article 4 Public announcements of the Company are made pursuant to Article 28 of the Company Act.
- Article 5 The Company extends external guarantees and check endorsements to companies and organizations, and is limited to the following circumstances:  
 I. Required for the businesses of the Company and the business scope the Company invests in.  
 II. Related to inter-industry guarantees.
- Article 6 The Company's investments in other enterprises are not be subject to the limit of 40 percent of its paid-in capital as imposed by Article 13 of the Company Act.

## Chapter II Shares

- Article 7 The total amount of capital of the Company is NT\$13 billion, being divided into 1.3 billion shares of par value NT\$10 per share, and authorizing the board of directors to issue in installments.
- Article 8 Stocks of the Company shall be registered, signed, or sealed by directors representing the Company, list the items of Article 162 of the Company Act, and certified by the securities authority or a bank competent to serve as attestors for the issuance of share certificates under the laws, prior to given a serial number and issued according to law.  
  
 Stocks issued according to the preceding paragraph are not required to be printed. The Company shall contact the centralized securities depository enterprise institution for registration of the share certificates.
- Article 9 Upon opening a new account, the shareholder shall supply a specimen chop, where the specimen chop is registered, replaced, lost, destroyed, or upon transfer of stock certificates, registration of change, pledges, and lost reporting procedures, the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by competent authority shall apply.
- Article 10 The original copies and application should be submitted to the Company for the renewal of soiled or mutilated stock certificates; however, when authenticity is beyond recognition, the preceding provision of lost share certificates applies, mutatis mutandis.
- Article 11 Taiwan Depository & Clearing Corporation may request a large par value securities substitute by means of consolidation, in which the costs are borne by the company.
- Article 12 Where the Company processes a shareholder's application to issue replacement stocks due to splits and such split stocks do not exceed 1,000 shares, the company may charge a handling fee, except where the stocks were obtained through inheritance.
- Article 13 The Company shall not handle any requests for transfers of shares within 60 days prior to the regular

shareholders' meeting, 30 days prior to the special shareholders meeting, or five days prior to the record date for the distribution of dividends, bonuses or other interests.

### Chapter III Shareholders' Meeting

- Article 14 The Company's shareholders' meetings are of two kinds: the regular meeting and special meetings.
- I. Regular meetings of shareholders are held within six months after the end of the fiscal year.
- II. Special meetings are convened according the Company Act when necessary.
- The Company's regular meetings shall be held by video conferencing or other method approved by the central competent authority..
- Article 15 Convening of regular and special shareholder's meeting shall notify each registered shareholder 30 and 15 days prior to meeting date respectively.
- Article 16 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 17 Except in the circumstances set forth in Item 3, Article 157 of the Company, a shareholder shall have one voting power in respect of each share in his/her/its possession.
- The shares shall have no voting power under any of the following circumstances:
- I. The share(s) of a company that are held by the issuing company itself in accordance with the laws.
- II. The shares of a holding company that are held by its subordinate company, where the total number of voting shares or total shares equity held by the holding company in such a subordinate company represents more than one half of the total number of voting shares or the total shares equity of such a subordinate company.
- III. The shares of a holding company and its subordinate company(ies) that are held by another company, where the total number of the shares or total shares equity of that company held by the holding company and its subordinate company(ies) directly or indirectly represents more than one half of the total number of voting shares or the total share equity of such a company.
- Article 17-1 When the Company holds a shareholders' meeting, voting rights of the shareholders shall be exercised in electronic means and may be exercised by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.
- Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting.
- Article 18 Shareholders who cannot attend shareholders' meeting may appoint representatives to attend on their behalf by executing a power of attorney printed and issued by the Company, stating clearly the scope of the authorization. When one person is authorized to act as proxy by over two shareholders, the voting rights represented shall not exceed three percent of the total outstanding shares; voting rights exceeded the said limit shall not be counted. Otherwise, the portion of excessive voting power shall not be counted.
- Article 19 The Chairperson of the board of directors shall preside the shareholders' meeting unless the Company Act provides otherwise. In case the Chairperson of the board of directors is absent for any cause, the Chairperson shall designate one of the directors; in the absence of such a designation, the directors shall elect one from among themselves to preside over the meeting.
- Article 20 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall bear the signature or seal of the chairperson of the meeting; and shall be distributed to all

shareholders of the company within 20 days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission. The aforesaid distribution of the minutes of shareholders' meeting may be effected by means of public notice. The minutes shall be kept permanently throughout the existence of the Company; the attendance record bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

## Chapter IV Directors

- Article 21 The Company shall have seven to thirteen directors. The Board meeting is authorized to approve the number of directors. A candidate nomination system shall be adopted. Candidates shall be nominated and elected at the shareholders' meeting from the list of candidates in accordance with Article 198 of the Company Act. The term of office shall be three years, and the director may be eligible for re-election.
- In the aforesaid quota of directors, independent directors shall be at least three and not less than representing one-fifth of all directors. Regarding other requirements on independent directors including professional qualifications, restrictions on shareholdings and concurrent positions held, determination of independence, method of nomination, and other compliance matters, the Company shall be set forth in accordance with relevant regulations announced by the competent authority for the securities industry.
- Article 21-1 The Company has established an audit committee since the 17th Board of Directors. The audit committee is composed of the entire number of independent directors which shall not be fewer than three persons in number; one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with relevant regulations or the Articles of Incorporation.
- Article 22 The total registered shares owned by all directors shall not be less than the minimum percentage of total issued shares specified in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.
- Article 23 When the number of vacancies reaches one-third of the total number of directors, the board of directors shall call, within 60 days of the date of occurrence, a by-election for directors at a special shareholders' meeting. The term of office for the director to be elected in the by-election shall be limited to the remaining term of office of the former director.
- Article 24 Directors shall organize board meetings in which their duties are performed. A chairperson shall be elected from the directors to represent the Company. If the Chairperson is unable to perform such duties due to leave of absence or any other reason, the Chairperson shall appoint one of the directors to act on the Chairperson's behalf. If no delegate is appointed by the Chairperson, one shall be elected from among the directors to act on the Chairperson's behalf.
- Article 25 The board of directors shall make decisions on pledge of assets to meet the cash flow requirements for business operations.
- Article 26 The notice of board of directors meeting may be effected by means of electronic transmission. Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors present at a meeting attended by a majority of the directors. A director may appoint another director as his/her proxy to attend the board of directors meetings.
- In case a board of directors meeting is held by video conference, then the directors taking part in such a video conference shall be deemed to have attended the meeting in person.
- Article 27 Remuneration of directors shall be determined by shareholders' meetings. Payment to employees shall be made in accordance with general standards regardless of the Company's gains or losses.

## Chapter V Managerial Persons

- Article 28 The Company may establish managerial personnel whose title, appointment, discharge and remuneration shall comply with Article 29 of the Company Act.

- Article 29 The president of the Company manages daily corporate operations pursuant to the board of directors resolutions, supported by vice president and associate vice president.

## Chapter VI Accounting

- Article 30 The Company's accounting period ends at the end of December. The board of directors shall prepare the following documents related to accounting affairs, and then present and acknowledge them at the shareholders' meeting pursuant to related laws and regulations.

I. Business report.

II. Financial statements.

III. Earnings distribution or accumulated deficit offset proposal.

- Article 31 If the Company makes a profit every year, 1% or more of this profit shall be set aside as employee remuneration (a minimum of 10% of the total employee remuneration set aside shall be distributed to non-managerial employees as employee remuneration), and no more than 2% of this profit shall be set aside as director remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.

Director remuneration may be distributed by way of cash dividends, and employee remuneration may be distributed by way of cash dividends or stock dividends. The Board of Directors shall be authorized to define the qualification requirements for employees entitled to receive shares or cash, including for the employees of subsidiaries of the Company that meet certain specific requirements. The ratio of director remuneration distributed, and the method of distribution and ratio of employee remuneration distributed, shall be resolved by a majority vote at a Board meeting attended by more than two thirds of all directors and reported to the shareholders' meeting.

\Employee and director remuneration should be calculated after first deducting any cumulative losses from the profit for the year (i.e., the profit amount before employee and director remuneration is deducted from profit before tax).

- Article 31-1 Where the Company has final earnings in a year, except for income tax payable as required, it shall first cover its previous losses, then set aside 10 percent legal reserve and special reserve as required from the remainder, as well as necessary special reserve or retained earnings according to its judgement; the remaining may be paid as dividends of common shares and bonus according to the total amount of shares.

- Article 32 In consideration of economic situation and long-term financial planning, and for the purpose of sustainable and stable development, the Company's dividend policy depends on its judgement based on capital budging for the coming years; need of funds is first financed by means of retained earnings, followed by necessary reserves for business operations, no less than 20 percent of remaining earnings is distributable as cash dividends, while the remainder is distributable as stock dividends. In cases where capital expenditure is necessary, the aforesaid surplus earnings may be distributed in full by means of stock dividends.

- Article 32-1 The Company may, by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of board members, have the surplus profit distributable as dividends and bonuses in whole or in part distributed in cash, which shall be reported to the shareholders' meeting.

## Chapter VII Supplementary Provisions

- Article 33 Organic regulations and operational regulations of the Company shall be developed separately.

- Article 34 Matters unspecified in these Articles shall be handled in compliance with the Company Act and other relevant laws and regulations.

- Article 35 The Articles of Incorporation were established on July 5, 1968. 1st amended on July 3, 1969; 2nd amended on Mar 5, 1970; 3rd amended on Mar 31, 1971; 4th amended on Mar 28, 1972; 5th amended on Mar 8, 1973; 6th amended on Mar 21, 1974; 7th amended on Mar 27, 1975; 8th amended on Mar 25, 1976; 9th amended on Jul 20, 1976; 10th amended on Mar 15, 1977; 11th amended on Mar 23, 1978; 12th amended on Mar 21, 1979; 13th amended on Mar 21, 1980; 14th amended on Nov 26, 1980; 15th amended on Mar 27, 1981; 16th amended on Sep 8, 1981; 17th amended on Mar 31, 1982; 18th amended on Mar 31, 1983; 19th amended on Mar 30, 1984; 20th amended on Mar 26, 1985; 21st amended on Mar 27, 1986; 22nd



amended on Mar 24, 1987; 23rd amended on Mar 25, 1988; 24th amended on Mar 24, 1989; 25th amended on Mar 23, 1990; 26th amended on Mar 28, 1991; 27th amended on Jun 4, 1991; 28th amended on Mar 28, 1992; 29th amended on Mar 31, 1993; 30th amended on Mar 27, 1995; 31st amended on Mar 27, 1996; 32nd amended on May 8, 1997; 33rd amended on May 14, 1998; 34th amended on Apr 29, 1999; 35th amended on May 9, 2000; 36th amended on May 14, 2002; 37th amended on May 27, 2004; 38th amended on Jun 6, 2006; 39th amended on Jun 13, 2007; 40th amended on Jun 13, 2008; 41st amended on Jun 27, 2012; 42nd amended on Jun 25, 2013; 43rd amended on Jun 24, 2016; 44th amended on June 26, 2018; 45th amended on June 21, 2019; 46th amended on June 30, 2020; 47th amended on July 7, 2021; 48th amended on June 17, 2022, and 49th amended on June 17, 2025.

## Chung Hwa Pulp Corporation

### List of Director and Independent Director Candidates

SN	Title	Candidates	Gender	Education	Working Experiences	Number of Shares
1	Director	YFT Inc. Representative: Kirk Kwang	Male	Ph.D. in Materials Chemistry, University of Wisconsin	Chairperson of CHP	627,827,989
2	Director	YFY Inc. Representative: Huey-Ching Yeh	Male	Master of Economics, National Chengchi University	Chairperson of YFY Inc.	627,827,989
3	Director	YFY Inc. Representative: Guu-Fong Lin	Male	MBA Course Completed BA Division of National Taipei University	Chairperson of Guandong Dingfung Pulp & Paper Co., Ltd. CFO of CHP	627,827,989
4	Director	YFY Paradigm Investment Co., Ltd. Representative: Ray Chen	Male	Master of Forestry, National Taiwan University	President of CHP	7,752,732
5	Independent Director	Wan-Yu Liu	Female	Ph.D., Department of Agricultural Economics (Environmental Resource Economics Group), National Taiwan University	Distinguished Professor, Department of Forestry, National Chung Hsing University	0
6	Independent Director	I-Son Ng	Female	Ph.D., Chemical Engineering, National Cheng Kung University	Professor, Chemical Engineering, National Cheng Kung University	0
7	Independent Director	Shun-Chin Lee	Male	State-owned Enterprise Course Completed Institute of BM, National Sun Yet-sen University Bachelor of Science in Chemical Engineering , National Central University	Chairperson of CPC Corporation, Taiwan	0

## Chung Hwa Pulp Corporation

### Election Rules for Directors

Article 1: The Procedures are established in accordance with the Company Act and the Company's Articles of Incorporation. The elections of the Company's directors shall be governed by these Procedures.

Article 2: The shareholders' meeting shall adopt the candidate nomination system for the election of the Company's Directors and elect directors from the nominated candidates.

Article 3: The Company's directors are elected by an open ballot system. In the open ballot system, names of voters may be represented by their attendance card numbers or shareholder account numbers.

Article 4: Each share shall be empowered with voting rights equal to the number of elected directors in elections of directors of the Company. The board of directors shall prepare the ballots equal to the number of directors to be elected and distribute them to the shareholders in attendance.

The aforementioned ballots may be concentrated on one candidate or separated across multiple candidates.

Article 5: The voting rights for the independent directors and non-Independent directors shall be calculated based on the number of directors to be elected in accordance with the Company's Articles of Incorporation and the number of directors established by the board of directors within the scope of the Articles of Incorporation. The candidates with more cumulative voting rights from the ballots shall be elected. In situations where there are two or more candidates with the same number of votes but exceed the number of available seats, the matter shall be decided by a drawing of lots by these equally-voted candidates and the chair shall draw lots on behalf of those who are not in attendance.

Article 6: The board of directors shall fill out the attendance number or the shareholder number and fill out the number of voting rights when preparing ballots.

Article 7: When the election begins, the chair appoints counting personnel who shall be in charge of vote counting.

Article 8: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9: If a candidate is a shareholder, a voter must 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 and cast the ballot into the ballot box. 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.

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

- I. Ballot is not prepared in compliance with the rules set forth herein.
- II. Ballot cast in the ballot box is blank.
- III. The writing is unclear and indecipherable or has been altered.
- IV. 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.
- V. Names of two or more candidates are written on a ballot.
- VI. Other words or marks are entered on a ballot in addition to the candidate's account name (or name) or shareholder account number (or identity card number) and the number of voting rights allotted.
- VII. Any of the information of candidate's account name (or name) or shareholder account number (or identity card number) is missing on a ballot.

Article 11: A ballot box shall be set up for the election of directors and it shall be opened by the vote monitoring personnel after the votes are cast.

Article 12: Ballot counting shall be supervised by persons to monitor the vote and result shall be announced by the chair.

Article 13: The board of directors shall issue notifications to the persons elected as directors.

Article 14: These Procedures and any amendments hereto, shall be implemented after approval at a shareholders' meeting.

## Content of proposal to remove the competition for the Company's directors

Director or institutional entity they represent	Concurrent position at the Company	Position held	Note
YFY Inc.	YFY Packaging Inc. Yuen Yan Paper Container Co., Ltd. Union Paper Corp. China Color Printing Co., Ltd. YFY Development Corp. Yuen Foong Yu Consumer Products Co., Ltd. Shin Foong Specialty and Applied Materials Co., Ltd. EFFION Enertech Co., Ltd. San Ying Enterprise Co., Ltd.	Director and Supervisor Director Director Director Director and Supervisor Director Director  Director and Supervisor Director and Supervisor	
Kirk Kwang (Representative of YFY Inc.)	CHP INTERNATIONAL (BVI) CORP. Guandong Dingfung Pulp & Paper Co., Ltd. Zhaoqing Dingfung Forestry Co., Ltd. Shin Foong Specialty and Applied Materials Co., Ltd. Shin Foong Trading SDN BHD	Director Director Director Chairperson  Director	
Huey-Ching Yeh (Representative of YFY Inc.)	YFY Inc. YFY Mauritius Corporation Shin Foong Specialty and Applied Materials Co., Ltd. EFFION Enertech Co., Ltd. Ensilience Co., Ltd. San Ying Enterprise Co., Ltd. YFY Packaging Inc. FUN SPRING CIRCUTECH Co., Ltd.	Chairperson Director Director  Chairperson Chairperson Chairperson Director Chairperson	
Guu-Fong Lin (Representative of YFY Inc.)	CHP INTERNATIONAL (BVI) CORP. Guandong Dingfung Pulp & Paper Co., Ltd. Zhaoqing Dingfung Forestry Co., Ltd. Zhaoqing Xinchuan Green Technology Co., Ltd. Guizhou Yuanfung Forestry Co., Ltd. Hwa Fong Investment Co., Ltd. NTU Innovation & Incubation Co., Ltd.	Director Chairperson Chairperson Chairperson  Chairperson Chairperson Director	
YFY Paradigm Investment Co., Ltd.	Yuen Yan Paper Container Co., Ltd. Union Paper Corp. Pek Crown Paper Co., Ltd.	Supervisor Supervisor Supervisor	
Ray Chen (Representative of YFY Paradigm Investment Co., Ltd.)	Shenzhen Jinglun Paper Co., Ltd. Union Paper Corp. China Color Printing Co., Ltd. Syntax Communication (H.K.) Ltd.	Chairperson Director Director Director	
Wan-Yu Liu	Lion Travel Service Co., Ltd. SuperAlloy Industrial Co., Ltd. CH Biotech R&D Co., Ltd.	Independent Director Independent Director Independent Director	

## Chung Hwa Pulp Corporation

### Articles of Incorporation

48th amended on June 17<sup>th</sup>, 2022

#### Chapter I General Provisions

- Article 1 The Company shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name is 中華紙漿股份有限公司, and Chung Hwa Pulp Corporation in the English language.
- Article 2 The Company's scope of business is as follows:
- I. A101011 Seeding.
  - II. A201010 Forestation.
  - III. A201030 Special forest business.
  - IV. A202040 Logging.
  - V. A299990 Other logging services.
  - VI. C301010 Spinning of yarn.
  - VII. C501010 Lumbering.
  - VIII. C501030 Plywood manufacturing.
  - IX. C501040 Reconstituted wood manufacturing.
  - X. C601010 Pulp manufacturing.
  - XI. C601020 Paper manufacturing.
  - XII. C601030 Paper containers manufacturing.
  - XIII. C601040 Processed paper manufacturing.
  - XIV. C601050 Domestic and sanitary paper products manufacturing.
  - XV. C601990 Manufacture of other paper products.
  - XVI. C801010 Basic industrial chemical manufacturing.
  - XVII. C801100 Synthetic resin and plastic manufacturing.
  - XVIII. C802090 Cleaning products manufacturing.
  - XIX. C802120 Industrial and additive manufacturing.
  - XX. C802160 Adhesive tapes manufacturing.
  - XXI. C805010 Plastic sheets, pipes and tubes manufacturing.
  - XXII. C805020 Plastic sheets & bags manufacturing.
  - XXIII. C114010 Food additives manufacturing.
  - XXV. CB01010 Machinery and equipment manufacturing.
  - XXVI. CZ99990 Other industrial products manufacturing not elsewhere classified.
  - XXVII. D101050 Steam and electricity paragenesis.
  - XXVIII. F107030 Wholesale of cleaning preparations.
  - XXIX. F107190 Wholesale of plastic sheets & bags.
  - XXX. F107200 Wholesale of chemistry raw material.
  - XXXI. F107990 Wholesale of other chemical products.
  - XXXII. F113010 Wholesale of machinery.

XXXIII.F113990 Wholesale of other machinery and tools.  
 XXXIV.F121010 Wholesale of food additives.  
 XXXV.F207030 Retail sale of cleaning preparations.  
 XXXVI.F207190 Retail sale of plastic sheets & bags.  
 XXXVII.F207200 Retail sale of chemistry raw material.  
 XXXVIII.F213080 Retail sale of other machinery and equipment.  
 XXXIX.F221010 Retail of food additives.  
 XL.F299990 Retail sale of other retail trade not elsewhere classified.  
 XLI.F399040 Retail business without shop.  
 XLII.F401010 International trade.  
 XLIII.H701010 Residence and buildings lease construction and development.  
 XLIV.H701040 Specialized field construction and development.  
 XLV.H701060 New county and community construction and investment.  
 XLVI.H701090 Renovation, or maintenance within the renewal area.  
 XLVII.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 3 The Company has established its headquarters in Hualien County, Taiwan, and opens subsidiaries or branch offices and production/marketing units as needed.
- Article 4 Public announcements of the Company are made pursuant to Article 28 of the Company Act.
- Article 5 The Company extends external guarantees and check endorsements to companies and organizations, and is limited to the following circumstances:  
     III. Required for the businesses of the Company and the business scope the Company invests in.  
     IV. Related to inter-industry guarantees.
- Article 6 The Company's investments in other enterprises are not be subject to the limit of 40 percent of its paid-in capital as imposed by Article 13 of the Company Act.

## Chapter II Shares

- Article 7 The total amount of capital of the Company is NT\$13 billion, being divided into 1.3 billion shares of par value NT\$10 per share, and authorizing the board of directors to issue in installments.
- Article 8 Stocks of the Company shall be registered, signed, or sealed by directors representing the Company, list the items of Article 162 of the Company Act, and certified by the securities authority or a bank competent to serve as attestors for the issuance of share certificates under the laws, prior to given a serial number and issued according to law.  
 Stocks issued according to the preceding paragraph are not required to be printed. The Company shall contact the centralized securities depository enterprise institution for registration of the share certificates.
- Article 9 Upon opening a new account, the shareholder shall supply a specimen chop, where the specimen chop is registered, replaced, lost, destroyed, or upon transfer of stock certificates, registration of change, pledges, and lost reporting procedures, the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by competent authority shall apply.
- Article 10 The original copies and application should be submitted to the Company for the renewal of soiled or mutilated stock certificates; however, when authenticity is beyond recognition, the preceding provision of lost share certificates applies, mutatis mutandis.
- Article 11 Taiwan Depository & Clearing Corporation may request a large par value securities substitute by means of consolidation, in which the costs are borne by the company.
- Article 12 Where the Company processes a shareholder's application to issue replacement stocks due to splits and such split stocks do not exceed 1,000 shares, the company may charge a handling fee, except where the

stocks were obtained through inheritance.

- Article 13 The Company shall not handle any requests for transfers of shares within 60 days prior to the regular shareholders' meeting, 30 days prior to the special shareholders meeting, or five days prior to the record date for the distribution of dividends, bonuses or other interests.

### Chapter III Shareholders' Meeting

- Article 14 The Company's shareholders' meetings are of two kinds: the regular meeting and special meetings.
- III. Regular meetings of shareholders are held within six months after the end of the fiscal year.
- IV. Special meetings are convened according to the Company Act when necessary.
- The Company's regular meetings shall be held by video conferencing or other method approved by the central competent authority..
- Article 15 Convening of regular and special shareholder's meeting shall notify each registered shareholder 30 and 15 days prior to meeting date respectively.
- Article 16 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 17 Except in the circumstances set forth in Item 3, Article 157 of the Company, a shareholder shall have one voting power in respect of each share in his/her/its possession.
- The shares shall have no voting power under any of the following circumstances:
- IV. The share(s) of a company that are held by the issuing company itself in accordance with the laws.
- V. The shares of a holding company that are held by its subordinate company, where the total number of voting shares or total shares equity held by the holding company in such a subordinate company represents more than one half of the total number of voting shares or the total shares equity of such a subordinate company.
- VI. The shares of a holding company and its subordinate company (ies) that are held by another company, where the total number of the shares or total shares equity of that company held by the holding company and its subordinate company (ies) directly or indirectly represents more than one half of the total number of voting shares or the total share equity of such a company.
- Article 17-1 When the Company holds a shareholders' meeting, voting rights of the shareholders shall be exercised in electronic means and may be exercised by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.
- Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting.
- Article 18 Shareholders who cannot attend shareholders' meeting may appoint representatives to attend on their behalf by executing a power of attorney printed and issued by the Company, stating clearly the scope of the authorization. When one person is authorized to act as proxy by over two shareholders, the voting rights represented shall not exceed three percent of the total outstanding shares; voting rights exceeded the said limit shall not be counted. Otherwise, the portion of excessive voting power shall not be counted.
- Article 19 The Chairperson of the board of directors shall preside the shareholders' meeting unless the Company Act provides otherwise. In case the Chairperson of the board of directors is absent for any cause, the Chairperson shall designate one of the directors; in the absence of such a designation, the directors shall elect one from among themselves to preside over the meeting.



- Article 20 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall bear the signature or seal of the chairperson of the meeting; and shall be distributed to all shareholders of the company within 20 days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission. The aforesaid distribution of the minutes of shareholders' meeting may be effected by means of public notice. The minutes shall be kept permanently throughout the existence of the Company; the attendance record bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

## Chapter IV Directors

- Article 21 The Company shall have seven to thirteen directors. The Board meeting is authorized to approve the number of directors. A candidate nomination system shall be adopted. Candidates shall be nominated and elected at the shareholders' meeting from the list of candidates in accordance with Article 198 of the Company Act. The term of office shall be three years, and the director may be eligible for re-election.
- In the aforesaid quota of directors, independent directors shall be at least three and not less than representing one-fifth of all directors. Regarding other requirements on independent directors including professional qualifications, restrictions on shareholdings and concurrent positions held, determination of independence, method of nomination, and other compliance matters, the Company shall be set forth in accordance with relevant regulations announced by the competent authority for the securities industry.
- Article 21-1 The Company has established an audit committee since the 17th Board of Directors. The audit committee is composed of the entire number of independent directors which shall not be fewer than three persons in number; one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with relevant regulations or the Articles of Incorporation.
- Article 22 The total registered shares owned by all directors shall not be less than the minimum percentage of total issued shares specified in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.
- Article 23 When the number of vacancies reaches one-third of the total number of directors, the board of directors shall call, within 60 days of the date of occurrence, a by-election for directors at a special shareholders' meeting. The term of office for the director to be elected in the by-election shall be limited to the remaining term of office of the former director.
- Article 24 Directors shall organize board meetings in which their duties are performed. A chairperson shall be elected from the directors to represent the Company. If the Chairperson is unable to perform such duties due to leave of absence or any other reason, the Chairperson shall appoint one of the directors to act on the Chairperson's behalf. If no delegate is appointed by the Chairperson, one shall be elected from among the directors to act on the Chairperson's behalf.
- Article 25 The board of directors shall make decisions on pledge of assets to meet the cash flow requirements for business operations.
- Article 26 The notice of board of directors meeting may be effected by means of electronic transmission. Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors present at a meeting attended by a majority of the directors. A director may appoint another director as his/her proxy to attend the board of directors meetings.
- In case a board of directors meeting is held by video conference, then the directors taking part in such a video conference shall be deemed to have attended the meeting in person.
- Article 27 Remuneration of directors shall be determined by shareholders' meetings. Payment to employees shall be made in accordance with general standards regardless of the Company's gains or losses.

## Chapter V Managerial Persons

- Article 28 The Company may establish managerial personnel whose title, appointment, discharge and remuneration shall comply with Article 29 of the Company Act.
- Article 29 The president of the Company manages daily corporate operations pursuant to the board of directors resolutions, supported by vice president and associate vice president.

## Chapter VI Accounting

- Article 30 The Company's accounting period ends at the end of December. The board of directors shall prepare the following documents related to accounting affairs, and then present and acknowledge them at the shareholders' meeting pursuant to related laws and regulations.

IV. Business report.

V. Financial statements.

VI. Earnings distribution or accumulated deficit offset proposal.

- Article 31 If the Company makes a profit every year, 1% or more of this profit shall be set aside as employee remuneration, and no more than 2% of this profit shall be set aside as director remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.

Director remuneration may be distributed by way of cash dividends, and employee remuneration may be distributed by way of cash dividends or stock dividends. The Board of Directors shall be authorized to define the qualification requirements for employees entitled to receive shares or cash, including for the employees of subsidiaries of the Company that meet certain specific requirements. The ratio of director remuneration distributed, and the method of distribution and ratio of employee remuneration distributed, shall be resolved by a majority vote at a Board meeting attended by more than two thirds of all directors and reported to the shareholders' meeting.

Employee and director remuneration should be calculated after first deducting any cumulative losses from the profit for the year (i.e., the profit amount before employee and director remuneration is deducted from profit before tax).

- Article 31-1 Where the Company has final earnings in a year, except for income tax payable as required, it shall first cover its previous losses, then set aside 10 percent legal reserve and special reserve as required from the remainder, as well as necessary special reserve or retained earnings according to its judgement; the remaining may be paid as dividends of common shares and bonus according to the total amount of shares.

- Article 32 In consideration of economic situation and long-term financial planning, and for the purpose of sustainable and stable development, the Company's dividend policy depends on its judgement based on capital budgeting for the coming years; need of funds is first financed by means of retained earnings, followed by necessary reserves for business operations, no less than 20 percent of remaining earnings is distributable as cash dividends, while the remainder is distributable as stock dividends. In cases where capital expenditure is necessary, the aforesaid surplus earnings may be distributed in full by means of stock dividends.

- Article 32-1 The Company may, by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of board members, have the surplus profit distributable as dividends and bonuses in whole or in part distributed in cash, which shall be reported to the shareholders' meeting.

## Chapter VII Supplementary Provisions

- Article 33 Organic regulations and operational regulations of the Company shall be developed separately.
- Article 34 Matters unspecified in these Articles shall be handled in compliance with the Company Act and other relevant laws and regulations.
- Article 35 The Articles of Incorporation were established on July 5, 1968. 1st amended on July 3, 1969; 2nd amended on Mar 5, 1970; 3rd amended on Mar 31, 1971; 4th amended on Mar 28, 1972; 5th amended on Mar 8, 1973; 6th amended on Mar 21, 1974; 7th amended on Mar 27, 1975; 8th amended on Mar 25, 1976; 9th amended on Jul 20, 1976; 10th amended on Mar 15, 1977; 11th amended on Mar 23, 1978; 12th amended on Mar 21, 1979; 13th amended on Mar 21, 1980; 14th amended on Nov 26, 1980; 15th amended on Mar 27, 1981; 16th amended on Sep 8, 1981; 17th amended on Mar 31, 1982; 18th amended on Mar 31, 1983;

19th amended on Mar 30, 1984; 20th amended on Mar 26, 1985; 21st amended on Mar 27, 1986; 22nd amended on Mar 24, 1987; 23rd amended on Mar 25, 1988; 24th amended on Mar 24, 1989; 25th amended on Mar 23, 1990; 26th amended on Mar 28, 1991; 27th amended on Jun 4, 1991; 28th amended on Mar 28, 1992; 29th amended on Mar 31, 1993; 30th amended on Mar 27, 1995; 31st amended on Mar 27, 1996; 32nd amended on May 8, 1997; 33rd amended on May 14, 1998; 34th amended on Apr 29, 1999; 35th amended on May 9, 2000; 36th amended on May 14, 2002; 37th amended on May 27, 2004; 38th amended on Jun 6, 2006; 39th amended on Jun 13, 2007; 40th amended on Jun 13, 2008; 41st amended on Jun 27, 2012; 42nd amended on Jun 25, 2013; 43rd amended on Jun 24, 2016; 44th amended on June 26, 2018; 45th amended on June 21, 2019; 46th amended on June 30, 2020; 47th amended on July 7, 2021, and 48th amended on June 17, 2022.

## Chung Hwa Pulp Corporation

### Rules of Procedure for the Shareholders' Meetings

Amended on June 17<sup>th</sup>, 2022

Article 1. These Rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and serve as the basis for the Company's shareholders' meeting governance mechanism.

Article 2. The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to the method of convening the Company's shareholders' meeting shall be subject to a resolution of the Board of Directors, and shall be made no later than before the shareholders' meeting notice is dispatched.

This Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. This Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 30 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, this Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Company and the professional shareholder services agent designated thereby.

This Company shall provide the aforementioned meeting agenda and supplemental meeting materials to the shareholders on the day of the shareholders' meeting via the following methods:

1. Distributed on-site at the meeting place when holding physical shareholders' meetings.
2. Distributed on-site at the meeting place and uploaded to the video-conferencing platform when holding physical shareholder's meetings with assistance of video conferencing.
3. Uploaded to the virtual-meeting platform when holding shareholder's meetings via video conferencing.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Matters pertaining to the election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing the status of the Company as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 hereof shall be itemized in the reasons for convening and the essential contents shall be explained, and shall not be brought up as extraordinary motions. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or by the Corporation, and the website shall be indicated in the above notice.

The notices for convening the shareholders' meeting have stated the election of directors and supervisors and the date on which they assume office. After the re-election is completed, the same meeting cannot change the date of assumption of office through extraordinary motions or other methods.

Shareholders holding 1 percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting, however only one matter shall be allowed in each single proposal. If a proposal contains more than one matter, then the said proposal shall not be included in the agenda. A shareholder proposal that urges the Corporation to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the Board of Directors. In addition, when the circumstances of any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of

directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals in writing or by way of electronic transmission, 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. Proposals containing more than 300 words will not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If the proxy has already been delivered to this Company and the shareholder decides he/she wishes to attend the meeting via video conferencing, the concerned shareholder should notify this Company in writing two days prior to the shareholders' meeting to rescind the notice for proxy. If the cancellation notice is not submitted by the deadline, votes cast at the meeting by the proxy shall prevail.

Article 5. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

When this Company holds a shareholders' meeting via video conferencing, the place of meeting shall not be subject to the limitations of the preceding paragraph.

Article 6. This Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

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

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

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

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

In the event of a virtual shareholders' meeting, this Company shall upload the meeting agenda book, annual

report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 To convene a virtual shareholders' meeting, this Company shall include the following in the shareholders' meeting notice:

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

Article 7. Shareholders meetings that are convened by the Chairperson shall be chaired by the Chairperson. If the Chairperson is unable to perform such duties due to a leave of absence or any other reason, the Chairperson may appoint one of the directors to act on the Chairperson's behalf. If the Chairperson does not appoint a delegate, one shall be elected by the directors from among them.

If the Meeting is chaired by a director other than the Chairperson, it shall be one who is familiar with the Company's business and financial status and that had been appointed more than six months prior. The same shall be true for a representative of a juristic person director that serves as chairperson.

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

If a shareholders meeting is convened by someone having the right to convene a meeting, but who is not a member of the Board of Directors, the said person shall chair the meeting. If more than one person has the right to convene the meeting, one shall be elected to chair the meeting.

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

Article 8. This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held online, this Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Company, and make an uninterrupted audio and video recording of the proceedings of the virtual meeting from beginning to end.

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

Where a virtual shareholders' meeting is convened, this Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the appointed meeting time, and announce related information including the number of shares without voting rights and the number of shares in attendance at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, this Company shall also declare the meeting adjourned at the virtual meeting platform.

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

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

Article 10. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be decided by the board of directors. Relevant motions (including extraordinary motions and amendments to the original motion) should be voted on on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. However, extraordinary motions should be proposed within the scope permitted by law, within the time limit when the chairperson puts the matter before all shareholders present at the meeting, and can only be included in the agenda after receiving approval from the attending shareholders in accordance with legal procedures.

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.

Unless by the resolution of the shareholders' meeting, the chairperson may not declare the meeting ended until all items on the agenda (including extraordinary motions) arranged in the preceding two paragraphs have been completed. The shareholders cannot designate any other person as chairperson and continue the meeting in the same or another place after the meeting is adjourned. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11. 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 chairperson.

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

Except with the consent of the chairperson, 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 chairperson may terminate the speech.

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

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

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

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

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

Article 12. Voting at a shareholders meeting shall be calculated based the number of shares.

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. The method of exercise shall be specified in the shareholders meeting notice. Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, shareholders will be deemed to have waived their rights with respect to 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 Corporation 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is not submitted by the deadline, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

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



shall be required.

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

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

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

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

When this Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked by the deadline, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14. The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by this Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including statistical weights). When directors are elected, the number of votes for each candidate should be disclosed. The minutes shall be kept permanently throughout the life of the Corporation.

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

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

Article 16. On the day of a shareholders' meeting, this Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event of a virtual shareholders' meeting, this Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Company's virtual shareholders' meeting, when the meeting is called to order, the total number of

shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever a new tally of the total number of shares represented in attendance and the number of shares with voting rights is released during the meeting.

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

Article 17. Staff handling administrative affairs of the shareholders' meeting shall wear identification badges or arm-bands.

The chairperson 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."

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

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

Article 18. When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19. In the event of a virtual shareholders' meeting, this Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chairperson has declared the meeting adjourned.

Article 20. When this Company convenes a virtual shareholders' meeting, both the chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.

Article 21. In the event of a virtual shareholders' meeting, this Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve technical issues.

In the event of a virtual shareholders' meeting, when calling the meeting to order, the chairperson shall also declare matters other than under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

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

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully checked in, but do not attend the postpone or resumed session, shall be counted towards the total number of shares, number of voting rights, and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Company convenes a hybrid shareholders' meeting and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting, still meets the minimum legal requirement for a shareholder' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

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

When postponing or resuming a meeting according to the second paragraph, this Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For periods set forth in Article 12, second half, and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph

Article 22. When convening a virtual shareholders' meeting, this Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 23. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

## Chung Hwa Pulp Corporation

### Name and Current Shareholding of Directors

Book closure date: April 19, 2025

Book closure date: April 19, 2023

Position	Name		Date elected	Shareholding while elected			Current shareholding		
				Type	Shares	ratio	Type	Shares	ratio
Chairperson	Kirk Hwang	YFY Inc. Representative	6.17.2022	Common Shares	627,827,989	56.93%	Common Shares	627,827,989	56.93%
Director	Huey-Ching Yeh								
Director	Guu-Fong Lin								
Director	Ray Chen	YFY Paradigm Investment Co., Ltd. Representative	6.17.2022	Common Shares	7,752,732	0.70%	Common Shares	7,752,732	0.70%
Independent Director	Donald Chang		6.17.2022	Common Shares	-	-	Common Shares	-	-
Independent Director	Hsiao-Kan Ma		6.17.2022	Common Shares	-	-	Common Shares	-	-
Independent Director	Wan-Yu Liu		6.17.2022	Common Shares	-	-	Common Shares	-	-
Total					635,580,721	57.63%		635,580,721	57.63%

Total issued shares: 1,102,835,316 shares as of April 19, 2025, and all directors of the company shall hold the shares according to law: 32,000,000 shares and all directors held: 635,580,721 shares.