

Stock Code: 1305

# **China General Plastics Corporation**

## **Handbook for the**

# **2025 Annual General Meeting of Shareholders**

**Date: May 27, 2025**

**Location: No.106, Gongyuan Rd, Zhunnan Town  
Miaoli County, Taiwan (R.O.C.)  
Aesthetics Hotel  
(Physical shareholders meeting)**

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# **China General Plastics Corporation Procedure of the 2025 Annual General Meeting of Shareholders**

1. Calling the Meeting to Order
2. Chairperson Takes Chair
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5. Matters for Ratification and Discussion (I)
6. Matters for Elections
7. Matters for Discussion (II)
8. Extemporaneous Motions
9. Adjournment

**China General Plastics Corporation**  
**Year 2025**  
**Agenda of Annual General Meeting of Shareholders**

Date: May 27, 2025 (Tuesday) AM 09:00

Location: No.106, Gongyuan Rd, Zhunnan Town, Miaoli County,  
Taiwan (R.O.C.)

(Physical shareholders meeting)

Aesthetics Hotel

1. Report Items:

- (1) To report 2024 operating results.
- (2) To report Audit Committee's Review Reports of 2024  
Financial Statement.
- (3) To report 2024 remuneration of directors and employees.

2. Matters for Ratification and Discussion (I):

- (1) To ratify 2024 Business Report and Financial Statements.
- (2) To ratify 2024 earnings distribution.
- (3) To approve the amendment to the Articles of Incorporation.

3. Matters for Elections:

To elect nine directors.

4. Matters for Discussion (II):

To approve the permission of directors for competitive actions.

5. Extemporaneous Motions:

6. Adjournment

# **I. Report Items:**

## **Report 1**

To report 2024 operating results.

### **China General Plastics Corporation 2024 Business Report**

In 2024, the Company's net sales decreased by NTD 1.77 billion compared to the same period last year, totaling NTD 5.998 billion, with a budget achievement rate of 69%. Operating loss was NTD 166 million, with a budget achievement rate of -59%, unfavorable by NTD 261 million compared to the same period last year. The non-operating loss was NTD 571 million, and the net loss after tax was NTD 710 million, with a budget achievement rate of -105%, unfavorable by NTD 1.052 billion compared to the same period last year.

#### Review of 2024 operations:

##### Raw materials:

Ethylene: At the beginning of the year, with OPEC+ extending production cuts and geopolitical factors, oil prices briefly increased. Followed by a slowdown in global economic growth, the impact of China's excess petrochemical production capacity gradually expanding to the global market, the price of ethylene and derivatives fell back. Although the operation of the cracking plants in Asia remained conservative, the recovery of the Chinese and the downturn of the global market have caused the ethylene market to continue to be under pressure.

EDC: After the first quarter, the rebound of industrial activities in China and the support for the output of EDC, the supply of goods in the Middle East resumed, and the vinyl downstream in the U.S., was not able to keep up with the trend, causing the overflow of spot. As a result, the EDC price was revised downward. The downstream PVC demand was still weak due to the economic slowdown in China and the U.S. to ensure a small spread of interest rates, buyers were cautious

in purchasing, and the EDC price fluctuated.

The real estate market in China and other Asian countries continued to be sluggish, which suppressed the demand for PVC/VCM. The import of VCM declined by more than 16% during the year. The VCM plants in Asia had delayed their annual repair or reduced the operation rate due to the poor gross profit. However, the VCM price still weakened simultaneously with the PVC price, which also reduced the profit margins of the manufacturers.

In terms of products: The PVC operation rate of China remained high, with the coastal social inventory reaching 600,000 tons after the Spring Festival. With the new production capacity gradually being invested, there is an imbalance between supply and demand in the domestic market. The annual export volume of PVC exceeded 2.6 million tons, which is the largest PVC exporter in the world, severely compressing the PVC spread. As a result, the Company's annual PVC production volume was only 128,000 tons, a decrease of 132,000 thousand tons, and an operating loss of NTD 424 million. In terms of chemical products, the semiconductor manufacturers continue to expand their demand growth. The price of Asian liquid and alkaline rose in the second half of the year, and the domestic alkaline chlorine price rose. The operating profit reached NTD 317 million. The sales of rubber sheet products declined by 20.6% from the previous year due to the shrinking terminal market demand and the damage of machines caused by the incident in Q3. The sales of rubber sheet products declined by 7.9% compared to the previous year due to the lack of recovery in the demand in Europe and Americas and the limited import demand. The sales of construction materials products declined by 14% compared to the previous year due to labor shortage and rising material prices, slow progress of construction projects and the government's housing policy, and the overall operating loss of processed products was NTD 60 million, a decline of 178%. In the re-investment, the VCM output of Taiwan TVCM was 319,000 tons, a decrease of 107,000 tons compared to the

previous year, and the sales volume was 340,000 tons, a decrease of 75,000 tons compared to the previous year, and the loss was NTD 380 million. The PVC output of USI Group was 172,000 tons, a decrease of 26,000 tons compared to the same period of the previous year, and the sales volume was 171,000 tons, a decrease of 27,000 tons compared to the same period of the previous year, and the loss was NTD 170.2 million.

#### 2025 Business Outlook:

##### Raw materials:

Ethylene: The global demand for petrochemical products is expected to maintain a low-speed growth this year. However, China's refining capacity expansion plan is not likely to slow down. The imbalance between supply and demand is unlikely to ease in the short term. It is expected that the cracking plants will continue to adjust their operation rate in response to the change in the spread of interest rates. If the downstream is unable to transfer the prices, ethylene in Asia is unlikely to rise again.

EDC: With the support from the aluminum industry in Indonesia and China, the demand for caustic soda in Asia has maintained a steady growth, which is expected to drive the increase in the operation rate of chlor-alkali and further increase the supply of EDC. As the new EDC capacity in South Korea began production in early, the overall supply is expected to increase compared to the previous year, which will help weaken the EDC price.

VCM: The increase in the import tax rate of VCM from Japan and Taiwan at the beginning of the year will increase the production cost of downstream PVCs. As the downstream PVCs of SP Chemicals Holdings have started production, the decrease in the sales of VCMs will be partially compensated. It is estimated that the import source will be difficult to replace in the short term. Once the PVC market recovers, the spread of the VCM market is expected to widen.

Products: China is still facing multiple pressures in the recovery of its economy.

It is expected that the domestic demand will be stimulated through more active policies. The demand in India and Vietnam and other emerging markets is expected to maintain a steady growth. The global PVC capacity growth will continue to exceed the demand. In addition to relying on supply, we will also pay attention to the changes in regional price gap caused by the trade barriers, and seek opportunities to increase overall profits.

Despite the severe impact of China's petrochemical capacity spillover, CGPC has continued to promote corporate quality and transformation by upholding the belief of doing its utmost in favorable times and steady progress in challenging times. In addition to the replacement of outdated production process and energy-consumption equipment, the Company has continued to apply AI technology to optimize energy utilization efficiency and improve management efficiency. With the solid foundation accumulated in the past, we are fully committed to expanding the diversified and high-value market. In the field of environmental protection materials, many of our products have been recognized by customers in Europe and Americas to enter the mass production stage. The cooling leather developed by the USI Innovation Center has not only successfully entered Taiwan's major motorcycle manufacturers, but the Innovation Center has also joined hands with domestic motorcycle-sharing brands for promoting cooling leather. The results of the efforts have demonstrated the CGPC's commitment to the environment and social responsibility. Furthermore, the management team will implement industrial safety and environmental protection, continue to reduce costs, and fulfill social responsibilities based on the long-term commitment and confidence of future development, to achieve the goal of sustainability.

Chairperson: Yi-Gui Wu

President: Chi-Hong Hu

Chief Accounting Officer: Chun-Feng Li



## **Report Items:**

### **Report 2**

To report Audit Committee's Review Reports of 2024 Financial Statement.

## **China General Plastics Corporation Audit Report**

This Audit Committee have audited the 2024 Business Report prepared by the Board of Directors, the financial statements (including individual and consolidated financial statements) audited and certified by CPA Hsiu-Chun Huang and CPA Cheng-Chun Chiu, of Deloitte Taiwan, and the proposal for profit distribution and found no nonconformity. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is presented for approval to AGM.

To  
China General Plastics Corporation 2025 Annual General Meeting of Shareholders

Audit Committee, China General  
Plastics Corporation  
Independent Director: Zu-De Li  
Independent Director: Ying-Bin Zheng  
Independent Director: Chen-I Hsu  
Independent Director: Chen-Ming Chang

March 4, 2025

## **Report Items:**

### **Report 3**

To report 2024 remuneration of directors and employees.

Description: 1. Proceeded in accordance with related orders of the Ministry of Economic Affairs and Article 33 of the Articles of Incorporation of this Company.

2. Since the Company made no profit in 2024, no remuneration for directors and employees will be distributed.

## **II. Matters for Ratification and Discussion (I):**

### **Proposal 1**

Proposed by the Board

To ratify 2024 Business Report and Financial Statements.

Description: 1. The 2024 financial statements (including individual and consolidated financial statements) approved by the Board on March 4, 2025 are audited by CPA Hsiu-Chun Huang and CPA Cheng-Chun Chiu of Deloitte Taiwan and the Audit Committee for the record.

2. Please refer to p. 4-7 of this Handbook for the 2024 Business Report and p. 11-28 for the CPA Audit Report and the financial statements.

Resolution:

## **Independent Auditors' Report**

The Board of Directors and Shareholders

China General Plastics Corporation

### **Opinion**

We have audited the accompanying parent company only financial statements of China General Plastics Corporation (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only 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 “financial statements”).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only 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 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 Parent Company Only 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 ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's parent company only financial statements for the year ended December 31, 2024 are stated as follows:

### Authenticity of regional sales revenue recognition for specific products

The Company's sales revenue in 2024 reduced compared to the same period of last year, but the sales revenue of specific products in certain areas increased significantly compared to the same period of last year, which had a significant impact on the sales revenue and financial results of the Company. Therefore, authenticity of revenue recognition for the sales to those customers is identified as one of the key audit matters.

Please refer to Notes 4 and 20 to the parent company only financial statements for relevant accounting policies and information in relation to revenue recognition.

We have performed the following audit procedures to validate authenticity of revenue recognition:

1. We studied and tested the internal control mechanism to monitor authenticity of revenue recognition, and assessed the effectiveness of its design and implementation. We evaluated the appropriateness of revenue recognition accounting policies adopted by management.
2. We reviewed original orders, shipping documents, and invoice to verify the authenticity of revenue recognition.
3. We inspected the receipt documents and the occurrence of sales returns and allowances subsequent to the balance sheet date, and sent letters to confirm whether there were any irregularities in accounts receivable at year-end.

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

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

In preparing the parent company only financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate 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 misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the parent company only financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant Notes), and whether the parent company only financial statements fairly present relevant transactions and items.
6. Obtain sufficient 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 group audit and for expressing an opinion on the parent company only financial statements of the Company.

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

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

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

Deloitte & Touche, Taipei, Taiwan,

Republic of China

CPA Huang, Hsiu-Chun

CPA Chiu, Cheng-Chun

Securities and Futures Commission

Financial Supervisory Commission

Approved Document No.

Approved Document No.

Tai Cai Zheng Liu Zi No. 0920123784

Jin Guan Zheng Liu Zi No. 0930160267

March 4, 2025

**Notice to Readers:**

The financial statements (Chinese version) of our company have been audited by the CPA HUANG, HSIU-CHUN and CPA CHIU, CHENG-CHUN of Deloitte Taiwan. For the convenience of reading, the statements have been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

**China General Plastics Corporation**  
**Parent Company Only Balance Sheets**  
**December 31, 2024 and 2023**

Unit: NT\$ thousands

CODE	ASSETS	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 500,569	4	\$ 98,321	1
1110	Financial assets at fair value through profit or loss (FVTPL) - current	140,864	1	296,909	2
1136	Financial assets at amortized cost - current	-	-	10,000	-
1150	Notes receivables	64,159	-	87,781	1
1170	Trade receivables	482,269	4	658,129	5
1200	Other receivables	24,737	-	36,340	-
1220	Current tax assets	14,004	-	290	-
1310	Inventories	1,027,702	8	1,004,770	8
1410	Prepayments	38,165	-	32,680	-
1470	Other current assets	1,899	-	236	-
11XX	Total current assets	2,294,368	17	2,225,456	17
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current	58,635	1	60,474	-
1550	Investments accounted for using the equity method	5,247,675	40	5,899,031	45
1600	Property, plant and equipment	5,012,342	38	4,489,960	34
1760	Investment properties	228,174	2	231,663	2
1840	Deferred tax assets	270,392	2	275,303	2
1990	Other non-current assets	16,003	-	17,839	-
15XX	Total non-current assets	10,833,221	83	10,974,270	83
1XXX	Total Assets	\$ 13,127,589	100	\$ 13,199,726	100
	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term borrowings	\$ 650,000	5	\$ 780,000	6
2110	Short-term notes and bills payable	199,929	2	-	-
2150	Notes payables	36,559	-	42,018	-
2170	Trade payables	132,441	1	150,893	1
2180	Trade payables to related parties	459,549	3	657,033	5
2200	Other payables	398,989	3	453,557	3
2220	Other payables to related parties	2,239	-	1,826	-
2300	Other current liabilities	110,418	1	77,989	1
2322	Long-term borrowings due within one year or one operating cycle	229,929	2	-	-
21XX	Total current liabilities	2,220,053	17	2,163,316	16
	Non-current liabilities				
2540	Long-term borrowings	1,444,168	11	629,169	5
2570	Deferred tax liabilities	485,641	4	483,717	4
2640	Net defined benefit liabilities	214,148	1	311,996	2
2670	Other non-current liabilities	23,997	-	30,051	-
25XX	Total non-current liabilities	2,167,954	16	1,454,933	11
2XXX	Total liabilities	4,388,007	33	3,618,249	27
	Equity (Note 19)				
3110	Ordinary share	5,810,505	44	5,810,505	44
3200	Capital surplus	20,018	-	17,986	-
	Retained earnings				
3310	Legal reserve	1,150,504	9	1,117,245	8
3320	Special reserve	408,223	3	408,223	3
3350	Unappropriated retained earnings	1,315,487	10	2,187,353	17
3300	Total retained earnings	2,874,214	22	3,712,821	28
3400	Other equity	34,845	1	40,165	1
3XXX	Total equity	8,739,582	67	9,581,477	73
	Total Liabilities and Equity	\$ 13,127,589	100	\$ 13,199,726	100

The accompanying notes are an integral part of the parent company only financial statements.

**Notice to Readers:**

The financial statements (Chinese version) of our company have been audited by the CPA HUANG, HSIU-CHUN and CPA CHIU, CHENG-CHUN of Deloitte Taiwan. For the convenience of reading, the statements have been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.



**China General Plastics Corporation**  
**Parent Company Only Statements of Comprehensive Income**  
**For the Years Ended December 31, 2024 and 2023**

Unit: NT\$ thousands, except (Losses) Earnings Per Share

CODE		2024		2023	
		Amount	%	Amount	%
4100	Net revenue	\$ 5,998,454	100	\$ 7,768,367	100
5110	Cost of revenue	5,697,959	95	7,190,724	93
5900	Gross profit	300,495	5	577,643	7
5910	Realized profit from sales	1,599	-	13,397	-
5950	Realized gross profit	302,094	5	591,040	7
	Operating expenses				
6100	Selling and marketing expenses	289,756	5	332,513	4
6200	General and administrative expenses	146,062	2	133,445	2
6300	Research and development expenses	32,634	1	30,449	-
6000	Total operating expenses	468,452	8	496,407	6
6900	Net operating (loss) income	( 166,358 )	( 3 )	94,633	1
	Non-operating income and expenses				
7100	Interest income	4,360	-	3,086	-
7010	Other income	51,580	1	44,024	1
7020	Other gains and losses	( 128,867 )	( 2 )	( 49,219 )	( 1 )
7060	Share of (loss) profit of subsidiaries and associates accounted for using the equity method	( 465,418 )	( 8 )	234,016	3
7510	Interest expense	( 32,559 )	-	( 16,699 )	-
7000	Total non-operating income and expenses	( 570,904 )	( 9 )	215,208	3
7900	Net (loss) profit before income tax	( 737,262 )	( 12 )	309,841	4
7950	Income tax benefit	( 27,295 )	-	( 32,075 )	-
8200	Net (loss) profit for the year	( 709,967 )	( 12 )	341,916	4
	Other comprehensive income (loss)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	71,924	1	10,608	-
8316	Unrealized losses on investments in equity instruments at FVTOCI	( 1,839 )	-	( 7,170 )	-
8326	Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - unrealized losses on investments in equity instruments at FVTOCI	( 30,630 )	-	( 17,548 )	-
8331	Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - remeasurement of defined benefit plans	17,188	-	( 841 )	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	( 14,385 )	-	2,121	-
8310		42,258	1	34,046	-
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	31,974	-	( 2,159 )	-
8371	Share of the other comprehensive income of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	1,570	-	553	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	( 6,395 )	-	432	-
8360		27,149	-	( 2,280 )	-
8300	Other comprehensive income (loss) for the year, net of income tax	69,407	1	( 36,326 )	-
8500	Total comprehensive (loss) income for the year	( \$ 640,560 )	( 11 )	\$ 305,590	4
	(Losses) earnings per share				
9750	Basic	( \$ 1.22 )		\$ 0.59	
9850	Diluted	( \$ 1.22 )		\$ 0.59	

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**China General Plastics Corporation**  
**Parent Company Only Statements of Changes in Equity**  
**For the Years Ended December 31, 2024 and 2023**

Unit: NT\$ thousands

CODE		Ordinary Share	Capital Surplus			Retained Earnings				Other Equity			
			Unpaid Dividends	Others	Total	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at FVTOCI	Total	Total Equity
A1	Balance as of January 1, 2023	\$ 5,810,505	\$13,872	\$684	\$14,556	\$1,117,245	\$408,223	\$2,029,080	\$3,554,548	( \$18,861 )	\$86,024	\$67,163	\$9,446,772
	Appropriation and distribution of earnings for 2022												
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	( 174,315 )	( 174,315 )	-	-	-	( 174,315 )
C7	Changes in equity of associates and joint ventures accounted for using equity method	-	-	1,333	1,333	-	-	-	-	-	-	-	1,333
C17	Other changes in capital surplus	-	2,067	30	2,097	-	-	-	-	-	-	-	2,097
D1	Net profit in 2023	-	-	-	-	-	-	341,916	341,916	-	-	-	341,916
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	-	( 9,328 )	( 9,328 )	( 2,280 )	( 24,718 )	( 26,998 )	( 36,326 )
D5	Total comprehensive income (loss) in 2023	-	-	-	-	-	-	332,588	332,588	( 2,280 )	( 24,718 )	( 26,998 )	305,590
Z1	Balance as of December 31, 2023	5,810,505	15,939	2,047	17,986	1,117,245	408,223	2,187,353	3,712,821	( 21,141 )	61,306	40,165	9,581,477
	Appropriation and distribution of earnings for 2023												
B1	Legal reserve	-	-	-	-	33,259	-	( 33,259 )	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	( 203,367 )	( 203,367 )	-	-	-	( 203,367 )
C17	Other changes in capital surplus	-	1,999	33	2,032	-	-	-	-	-	-	-	2,032
D1	Net loss in 2024	-	-	-	-	-	-	( 709,967 )	( 709,967 )	-	-	-	( 709,967 )
D3	Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	-	-	74,727	74,727	27,149	( 32,469 )	( 5,320 )	69,407
D5	Total comprehensive income (loss) in 2024	-	-	-	-	-	-	( 635,240 )	( 635,240 )	27,149	( 32,469 )	( 5,320 )	( 640,560 )
Z1	Balance as of December 31, 2024	\$ 5,810,505	\$ 17,938	\$ 2,080	\$ 20,018	\$ 1,150,504	\$ 408,223	\$ 1,315,487	\$ 2,874,214	\$ 6,008	\$ 28,837	\$ 34,845	\$ 8,739,582

The accompanying notes are an integral part of the parent company only financial statements.

**Notice to Readers:**

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**China General Plastics Corporation**  
**Parent Company Only Statements of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

<u>CODE</u>		Unit: NT\$ thousands	
		<u>2024</u>	<u>2023</u>
	Cash flows from operating activities		
A10000	Net (loss) profit before income tax	( \$ 737,262 )	\$ 309,841
A20010	Adjustments for:		
A20100	Depreciation expenses	320,464	257,387
A20200	Amortization expense	2,106	930
A20400	Net loss (gain) on financial instruments at FVTPL	2,280 (	1,692 )
A20900	Interest expense	32,559	16,699
A21200	Interest income	( 4,360 )	( 3,086 )
A21300	Dividend income	( 2,998 )	( 1,264 )
A22400	Share of loss (profit) of subsidiaries and associates accounted for using the equity method	465,418 (	234,016 )
A22500	Loss (gain) on disposal of property, plant, and equipment	122,926 (	6,835 )
A23700	Provision (reversal) of write downs of inventories and obsolescence losses	66,144 (	1,652 )
A23900	Realized profit from sales	( 1,599 )	( 13,397 )
A30000	Net changes in operating assets and liabilities		
A31115	Financial Instruments at FVTPL	153,765	128,140
A31130	Notes receivable	23,622	40,605
A31150	Trade receivables (including related parties)	175,860	221,991
A31180	Other receivables (including related parties)	11,588 (	1,623 )
A31200	Inventories	( 89,076 )	111,610
A31230	Prepayments	( 5,485 )	( 2,337 )
A31240	Other current assets	( 1,663 )	849
A32130	Notes payables	( 5,459 )	42,018
A32150	Trade payables (including related parties)	( 215,936 )	( 212,650 )
A32180	Other payables (including related parties)	( 30,116 )	( 64,351 )
A32230	Other current liabilities	32,429 (	14,682 )
A32240	Net defined benefit liabilities	( 25,924 )	( 27,291 )
A33000	Cash generated operation	289,283	548,498
A33100	Interest received	4,375	3,059
A33300	Interest paid	( 30,680 )	( 14,516 )
A33500	Income tax paid	( 364 )	( 13,639 )
AAAA	Net cash generated from operating activities	<u>262,614</u>	<u>523,402</u>

(Continued)

<u>CODE</u>		<u>2024</u>	<u>2023</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	\$ 10,000	( \$ 10,000 )
B01800	Acquisition of investments accounted for using equity method	-	( 7,810 )
B02400	Proceeds from capital reduction of investments accounted for using equity method	-	14,562
B02700	Payments for property, plant and equipment	( 994,401 )	( 785,662 )
B02800	Proceeds from disposal of property, plant and equipment	9,645	15,319
B03700	Increase in refundable deposits	( 14,789 )	( 8,955 )
B03800	Decrease in refundable deposits	14,957	8,862
B04500	Acquisitions of intangible assets	( 438 )	( 9,784 )
B07600	Dividends received	210,670	1,264
BBBB	Net cash used in investing activities	( 764,356 )	( 782,204 )
	Cash flows from financing activities		
C00200	(Decrease) Increase in short-term borrowings	( 130,000 )	590,000
C00500	Increase in short-term notes and bills payable	200,000	-
C01600	Proceeds from long-term borrowings	1,048,000	1,335,165
C01700	Repayments of long-term borrowings	-	( 1,500,000 )
C03000	Increase in guarantee deposits received	1,032	7,822
C03100	Decrease in guarantee deposits received	( 11,496 )	( 2,590 )
C04400	Decrease in other non-current liabilities	( 48 )	( 25 )
C04500	Dividends paid	( 203,498 )	( 169,459 )
CCCC	Net cash generated from financing activities	903,990	260,913
EEEE	Net increase in cash and cash equivalents	402,248	2,111
E00100	Cash and cash equivalents at the beginning of the year	98,321	96,210
E00200	Cash and cash equivalents at the end of the year	\$ 500,569	\$ 98,321

(Concluded)

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## **Independent Auditors' Report**

The Board of Directors and Shareholders

China General Plastics Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of China General Plastics Corporation 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 statement of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (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 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 accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

#### Authenticity of regional sales revenue recognition for specific products

The Group's consolidated sales revenue in 2024 reduced compared to the same period of last year, but the sales revenue of specific products in certain areas increased significantly compared to the same period of last year, which had a significant impact on the sales revenue and financial results of the Group. Therefore, authenticity of revenue recognition for the sales to those customers is identified as one of the key audit matters.

Please refer to Notes 4 and 22 to the consolidated financial statements for relevant accounting policies and information in relation to revenue recognition.

We have performed the following audit procedures to validate authenticity of revenue recognition:

1. We studied and tested the internal control mechanism to monitor authenticity of revenue recognition, and assessed the effectiveness of its design and implementation. We evaluated the appropriateness of revenue recognition accounting policies adopted by management.
2. We reviewed original orders, shipping documents, and invoice to verify the authenticity of revenue recognition.
3. We inspected the receipt documents and the occurrence of sales returns and allowances subsequent to the balance sheet date, and sent letters to confirm whether there were any irregularities in accounts receivable at year-end.

### **Other Matters**

We have also audited the parent company only financial statements of China General Plastics 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**

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

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate 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 misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 financial statements.

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 expression, structure and contents of the consolidated financial statements (including relevant Notes), and whether the consolidated financial statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit and for expressing an opinion on the financial statements of the Group.

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

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

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

Deloitte & Touche,  
Taipei, Taiwan, Republic of China  
CPA Huang, Hsiu-Chun

CPA Chiu, Cheng-Chun

Securities and Futures Commission  
Approved Document No.  
Tai Cai Zheng Liu Zi No. 0920123784

Financial Supervisory Commission  
Approved Document No.  
Jin Guan Zheng Liu Zi No. 0930160267

March 4, 2025

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**China General Plastics Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2024 and 2023**

Unit: NT\$ thousands

CODE	ASSETS	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 1,523,912	9	\$ 1,203,186	7
1110	Financial assets at fair value through profit or loss (FVTPL) - current	609,197	3	941,551	5
1136	Financial assets at amortized cost - current	943,234	5	960,748	5
1150	Notes receivables	118,682	1	139,062	1
1170	Trade receivables	762,506	4	1,018,774	6
1200	Other receivables	69,885	-	82,246	-
1220	Current tax assets	17,186	-	583	-
1310	Inventories	2,522,089	14	2,527,010	14
1410	Prepayments	133,905	1	92,747	1
1470	Other current assets	2,139	-	838	-
11XX	Total current assets	6,702,735	37	6,966,745	39
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current	60,406	-	63,521	-
1550	Investments accounted for using the equity method	336,665	2	359,601	2
1600	Property, plant and equipment	9,753,364	54	9,249,791	52
1755	Right-of-use assets	112,967	1	144,767	1
1760	Investment properties	443,562	2	454,437	3
1840	Deferred tax assets	581,799	3	445,588	3
1990	Other non-current assets	83,578	1	65,782	-
15XX	Total non-current assets	11,372,341	63	10,783,487	61
1XXX	Total Assets	\$ 18,075,076	100	\$ 17,750,232	100
CODE	LIABILITIES AND EQUITY				
	Current Liabilities				
2100	Short-term borrowings	\$ 1,280,000	7	\$ 1,380,000	8
2110	Short-term notes and bills payable	299,872	2	-	-
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current	688	-	795	-
2150	Notes payables	36,559	-	42,018	-
2170	Trade payables	799,456	4	513,702	3
2180	Trade payables to related parties	125,173	1	222,356	1
2200	Other payables	727,652	4	777,321	4
2220	Other payables to related parties	25,493	-	31,295	-
2230	Current tax liabilities	5,695	-	111,565	1
2280	Lease liabilities	20,928	-	33,515	-
2322	Long-term borrowings due within one year or one operating cycle	1,438,743	8	217,027	1
2399	Other current liabilities	164,587	1	92,237	1
21XX	Total current liabilities	4,924,846	27	3,421,831	19
	Non-current liabilities				
2540	Long-term borrowings	2,851,015	16	2,999,206	17
2570	Deferred tax liabilities	602,255	3	594,334	3
2580	Lease liabilities	98,296	1	117,111	1
2640	Net defined benefit liabilities	214,148	1	311,996	2
2670	Other non-current liabilities	68,676	-	78,266	-
25XX	Total non-current liabilities	3,834,390	21	4,100,913	23
2XXX	Total Liabilities	8,759,236	48	7,522,744	42
	Equity attributable to owners of the Company				
3110	Ordinary share	5,810,505	32	5,810,505	33
3200	Capital surplus	20,018	-	17,986	-
	Retained earnings				
3310	Legal reserve	1,150,504	7	1,117,245	6
3320	Special reserve	408,223	2	408,223	2
3350	Unappropriated retained earnings	1,315,487	7	2,187,353	13
3300	Total retained earnings	2,874,214	16	3,712,821	21
3400	Other equity	34,845	1	40,165	-
31XX	Total equity attributable to owners of the Company	8,739,582	49	9,581,477	54
36XX	Non-controlling interests	576,258	3	646,011	4
3XXX	Total equity	9,315,840	52	10,227,488	58
	Total Liabilities and Equity	\$ 18,075,076	100	\$ 17,750,232	100

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**China General Plastics Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2024 and 2023**

Unit: NT\$ thousands, except (Losses) Earnings Per Share

CODE		2024		2023	
		Amount	%	Amount	%
4100	Net revenue	\$ 11,086,725	100	\$ 13,707,305	100
5110	Cost of revenue	10,876,143	98	12,030,536	88
5900	Gross profit	210,582	2	1,676,769	12
	Operating expenses				
6100	Selling and marketing expenses	726,926	7	850,949	6
6200	General and administrative expenses	275,773	2	293,037	2
6300	Research and development expenses	50,590	-	72,928	1
6000	Total operating expenses	1,053,289	9	1,216,914	9
6900	Net operating (loss) income	( 842,707 )	( 7 )	459,855	3
	Non-operating income and expenses				
7100	Interest income	39,539	-	31,052	-
7010	Other income	97,206	1	107,023	1
7020	Other gains and losses	( 122,505 )	( 1 )	( 50,321 )	-
7060	Share of profit (loss) of associates accounted for using the equity method	2,107	-	( 11,546 )	-
7510	Interest expense	( 93,594 )	( 1 )	( 69,539 )	( 1 )
7000	Total non-operating income and expenses	( 77,247 )	( 1 )	6,669	-
7900	Net (loss) profit before income tax	( 919,954 )	( 8 )	466,524	3
7950	Income tax (benefit) expense	( 168,591 )	( 1 )	72,850	-
8200	Net (loss) profit for the year	( 751,363 )	( 7 )	393,674	3
	Other comprehensive income (loss)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	92,383	1	( 11,866 )	-
8316	Unrealized losses on investments in equity instruments at FVTOCI	( 3,115 )	-	( 7,796 )	-
8321	Share of the other comprehensive income of associates accounted for using the equity method - remeasurement of defined benefit plans	2,903	-	37	-
8326	Share of the other comprehensive income of associates accounted for using the equity method - unrealized losses on investments in equity instruments at FVTOCI	( 29,516 )	-	( 17,002 )	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	( 18,477 )	-	2,373	-
8310		44,178	1	( 34,254 )	-
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	31,974	-	( 2,159 )	-
8371	Share of the other comprehensive income of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	1,570	-	( 553 )	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	( 6,395 )	-	432	-
8360		27,149	-	( 2,280 )	-
8300	Other comprehensive income (loss) for the year, net of income tax	71,327	1	( 36,534 )	-
8500	Total comprehensive (loss) income for the year	( \$ 680,036 )	( 6 )	\$ 357,140	3
	Net (loss) profit attributable to:				
8610	Owners of the Company	( \$ 709,967 )	( 7 )	\$ 341,916	2
8620	Non-controlling interests	( 41,396 )	-	51,758	1
8600		( \$ 751,363 )	( 7 )	\$ 393,674	3
	Total comprehensive income (loss) attributable to:				
8710	Owners of the Company	( \$ 640,560 )	( 6 )	\$ 305,590	2
8720	Non-controlling interests	( 39,476 )	-	51,550	1
8700		( \$ 680,036 )	( 6 )	\$ 357,140	3
	(Losses) Earnings per share				
9750	Basic	( \$ 1.22 )		\$ 0.59	
9850	Diluted	( \$ 1.22 )		\$ 0.59	

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**China General Plastics Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the Years Ended December 31, 2024 and 2023**

**Unit: NT\$ thousands**

		Equity Attributable to Owners of the Company										Other Equity					
		Capital Surplus				Retained Earnings				Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at FVTOCI	Total	Total	Non-Controlling Interests	Total Equity		
CODE		Ordinary Share	Unpaid Dividends	Others	Total	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total								
A1	Balance as of January 1, 2023	\$ 5,810,505	\$ 13,872	\$ 684	\$ 14,556	\$ 1,117,245	\$ 408,223	\$ 2,029,080	\$ 3,554,548	( \$ 18,861 )	\$ 86,024	\$ 67,163	\$ 9,446,772	\$ 594,456	\$ 10,041,228		
B5	Appropriation and distribution of earnings for 2022 Cash dividends distributed by the Company	-	-	-	-	-	-	( 174,315 )	( 174,315 )	-	-	-	( 174,315 )	-	( 174,315 )		
C7	Changes in equity of associates accounted for using equity method	-	-	1,333	1,333	-	-	-	-	-	-	-	1,333	-	1,333		
C17	Other changes in capital surplus	-	2,067	30	2,097	-	-	-	-	-	-	-	2,097	5	2,102		
D1	Net profit in 2023	-	-	-	-	-	-	341,916	341,916	-	-	-	341,916	51,758	393,674		
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	-	( 9,328 )	( 9,328 )	( 2,280 )	( 24,718 )	( 26,998 )	( 36,326 )	( 208 )	( 36,534 )		
D5	Total comprehensive income (loss) in 2023	-	-	-	-	-	-	332,588	332,588	( 2,280 )	( 24,718 )	( 26,998 )	305,590	51,550	357,140		
Z1	Balance as of December 31, 2023	5,810,505	15,939	2,047	17,986	1,117,245	408,223	2,187,353	3,712,821	( 21,141 )	61,306	40,165	9,581,477	646,011	10,227,488		
B1	Appropriation and distribution of earnings for 2023 Legal reserve	-	-	-	-	33,259	-	( 33,259 )	-	-	-	-	-	-	-		
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	( 203,367 )	( 203,367 )	-	-	-	( 203,367 )	-	( 203,367 )		
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	( 30,282 )	( 30,282 )		
C17	Other changes in capital surplus	-	1,999	33	2,032	-	-	-	-	-	-	-	2,032	5	2,037		
D1	Net loss in 2024	-	-	-	-	-	-	( 709,967 )	( 709,967 )	-	-	-	( 709,967 )	( 41,396 )	( 751,363 )		
D3	Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	-	-	74,727	74,727	27,149	( 32,469 )	( 5,320 )	69,407	1,920	71,327		
D5	Total comprehensive income (loss) in 2024	-	-	-	-	-	-	( 635,240 )	( 635,240 )	27,149	( 32,469 )	( 5,320 )	( 640,560 )	( 39,476 )	( 680,036 )		
Z1	Balance as of December 31, 2024	\$ 5,810,505	\$ 17,938	\$ 2,080	\$ 20,018	\$ 1,150,504	\$ 408,223	\$ 1,315,487	\$ 2,874,214	\$ 6,008	\$ 28,837	\$ 34,845	\$ 8,739,582	\$ 576,258	\$ 9,315,840		

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# China General Plastics Corporation and Subsidiaries

## Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousands

CODE		2024	2023
	Cash flows from operating activities		
A10000	Net (loss) profit before income tax	( \$ 919,954 )	\$ 466,524
A20010	Adjustments for:		
A20100	Depreciation expenses	854,660	750,349
A20200	Amortization expense	19,630	20,847
A20400	Net gains on fair value change on financial instruments at FVTPL	( 37,396 )	( 19,384 )
A20900	Interest expense	93,594	69,539
A21200	Interest income	( 39,539 )	( 31,052 )
A21300	Dividend income	( 3,057 )	( 1,421 )
A22300	Share of (profit) loss of associates accounted for using the equity method	( 2,107 )	11,546
A22500	Loss (gain) on disposal of property, plant, and equipment	118,843	( 5,409 )
A23200	Loss on disposal of subsidiaries	-	984
A23700	Provision (reversal) of write-downs of inventories and obsolescence losses	89,248	( 51,610 )
A29900	Gain on lease modification	( 35 )	-
A30000	Net changes in operating assets and liabilities		
A31115	Financial Instruments at FVTPL	369,643	( 48,159 )
A31130	Notes receivable	20,380	80,460
A31150	Trade receivables (including related parties)	262,088	183,454
A31180	Other receivables (including related parties)	13,285	( 1,466 )
A31200	Inventories	( 68,988 )	87,176
A31230	Prepayments	( 41,158 )	96,584
A31240	Other current assets	( 1,301 )	320
A32130	Notes payables	( 5,459 )	42,018
A32150	Trade payables (including related parties)	188,115	( 465,656 )
A32180	Other payables (including related parties)	( 8,211 )	( 24,899 )
A32230	Other current liabilities	72,350	( 52,669 )
A32240	Net defined benefit liabilities	( 31,457 )	( 34,720 )
A33000	Cash generated from operations	943,174	1,073,356
A33100	Interest received	38,615	27,628
A33300	Interest paid	( 98,477 )	( 55,428 )

(Continued)

<u>CODE</u>		<u>2024</u>	<u>2023</u>
A33500	Income tax paid	( \$ 107,044 )	( \$ 24,656 )
AAAA	Net cash generated from operating activities	<u>776,268</u>	<u>1,020,900</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost (	1,139,623 )	( 864,409 )
B00050	Proceeds from disposal of financial assets at amortized cost	1,161,297	244,425
B01800	Acquisition of investments accounted for using equity method	- (	7,810 )
B02700	Payments for property, plant and equipment (	1,512,348 )	( 1,421,045 )
B02800	Proceeds from disposal of property, plant and equipment	37,848	17,412
B03700	Increase in refundable deposits (	15,156 )	( 36,519 )
B03800	Decrease in refundable deposits	14,960	31,631
B04500	Acquisitions of intangible assets (	438 )	( 9,974 )
B05400	Acquisition of investment properties (	665 )	-
B06700	Increase in other non-current assets (	10,512 )	( 27,404 )
B07600	Dividends received	3,057	1,421
BBBB	Net cash used in investing activities	<u>( 1,461,580 )</u>	<u>( 2,072,272 )</u>
	Cash flows from financing activities		
C00200	(Decrease) Increase in short-term borrowings (	100,000 )	590,000
C00500	Increase (Decrease) in short-term notes and bills payable	300,000 (	200,000 )
C01600	Proceeds from long-term borrowings	1,287,100	3,283,965
C01700	Repayments of long-term borrowings (	208,045 )	( 2,500,000 )
C03000	Increase in guarantee deposits received	4,159	8,180
C03100	Decrease in guarantee deposits received (	13,619 )	( 4,427 )
C04020	Repayment of the principal portion of lease liabilities (	30,817 )	( 31,550 )
C04300	Decrease in other non-current liabilities (	41 )	( 24 )
C04500	Dividends paid (	203,498 )	( 169,459 )
C05800	Cash dividends paid on non-controlling interests (	30,287 )	( 5 )
CCCC	Net cash generated from financing activities	<u>1,004,952</u>	<u>976,680</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>1,086</u>	<u>1,333</u>
EEEE	Net increase (decrease) in cash and cash equivalents	320,726 (	73,359 )
E00100	Cash and cash equivalents at the beginning of the year	<u>1,203,186</u>	<u>1,276,545</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,523,912</u>	<u>\$ 1,203,186</u>

(Concluded)

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

**Notice to Readers:**

The Interim consolidated financial statements (Chinese version) of our company have been audited by the CPA HUANG, HSIU-CHUN and CPA CHIU, CHENG-CHUN of Deloitte Taiwan. For the convenience of reading, the statements have been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

## **Matters for Ratification and Discussion (I):**

### **Proposal 2**

Proposed by the Board

To ratify 2024 earnings distribution.

Description: 1. In 2024, net loss for the year plus the loss amount of items other than net loss for the year but included in current unappropriated earning is NT\$ 635,240,155. After adding the beginning unappropriated earnings of NT\$ 1,950,727,000, by the end of 2024 the accumulated distributable earnings is NT\$ 1,315,486,845. The distribution is as follows : Cash dividend NT\$ 87,157,574, i.e. NT\$0.15 per share.

The unappropriated earnings after distribution will be NT\$ 1,228,329,271.

2. Please refer to p. 30, “Profit Distribution Table”, for details.
3. The cash dividends allocated to each shareholder shall be rounded down to a whole dollar amount of New Taiwan Dollars, and the total amount of allocation will be subject to the actual amount allocated.
4. Please authorize the Chairman to set a target date for the distribution of cash dividends after the adoption of this proposal.

Resolution:

## China General Plastics Corporation 2024 Profit Distribution Table

expressed in NTD

Net loss before tax of 2024	(737,261,807)
Add: Income tax gain	<u>27,295,128</u>
Net loss of 2024	(709,966,679)
Add: Retained earnings adjusted for the defined benefit plan after re-measurement	<u>74,726,524</u>
Net loss for the year plus the loss amount of items other than net loss for the year but included in current unappropriated earning	(635,240,155)
Add: Beginning unappropriated earnings	<u>1,950,727,000</u>
Accumulated distributable earnings at the end of 2024	<u>1,315,486,845</u>
Distributable items: (total issued shares: 581,050,494)	
Cash dividend: 0.15/share	<u>87,157,574</u>
Unappropriated earnings at the end of 2024 transferred to the next year	<u>1,228,329,271</u>

Chairperson: Yi-Gui Wu    President: Chi-Hong Hu    Chief Accounting Officer: Chun-Feng Li

## **Matters for Ratification and Discussion (I):**

### **Proposal 3**

Proposed by the Board

To approve the amendment to the “Articles of Incorporation”.

Description : 1. According to Article 14, Paragraph 6 of the Securities Exchange Act, a company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees and it is proposed to amend part of the company's “Articles of Incorporation”.

2. The amendment to the “Articles of Incorporation” is shown in the next page.

Resolution :



# China General Plastics Corporation

## The Amendment to the “Articles of Incorporation”

After amendment	Before amendment	Description
<p>Article 33: If the Company retains earnings in the current year, it shall allocate the compensation to directors and employees. The compensation to directors shall be no more than 1% of the earnings gained in the current year, while the compensation to employees shall be no less than 1% of the earnings. Notwithstanding, if the Company retains accumulated losses, it shall reserve the amount to be covered in advance.</p> <p><u>The compensation percentage to the non-executive employees shall be no less than 40% of the total amount of employee compensation as mentioned in the preceding paragraph.</u></p> <p>Said compensation to employees may be allocated in the form of shares or in cash, compensation for employees may also be distributed to employees of companies controlled by or affiliated to this Company. The specific requirements shall be defined by the Board of Directors.</p> <p>If the Company has net profits after tax according to its annual financial account, the Company may, after making up all past losses, set aside a 10% legal reserve from the remainder, if any. The remaining allocable earnings, if any, plus the accumulated unappropriated earnings for prior years and the balance after provision or reversal of special earnings required by the competent authority, shall be accumulated allocable earnings, which shall be allocated according to the proposal drafted by the Board of Directors and resolution made by a general shareholders' meeting duly. The shareholders' meeting may retain the earnings, in whole or in part, subject to</p>	<p>Article 33: If the Company retains earnings in the current year, it shall allocate the compensation to directors and employees. The compensation to directors shall be no more than 1% of the earnings gained in the current year, while the compensation to employees shall be no less than 1% of the earnings. Notwithstanding, if the Company retains accumulated losses, it shall reserve the amount to be covered in advance.</p> <p>Said compensation to employees may be allocated in the form of shares or in cash, compensation for employees may also be distributed to employees of companies controlled by or affiliated to this Company. The specific requirements shall be defined by the Board of Directors.</p> <p>If the Company has net profits after tax according to its annual financial account, the Company may, after making up all past losses, set aside a 10% legal reserve from the remainder, if any. The remaining allocable earnings, if any, plus the accumulated unappropriated earnings for prior years and the balance after provision or reversal of special earnings required by the competent authority, shall be accumulated allocable earnings, which shall be allocated according to the proposal drafted by the Board of Directors and resolution made by a general shareholders' meeting duly. The shareholders' meeting may retain the earnings, in whole or in part, subject to</p>	<p>According to Article 14, Paragraph 6 of the Securities Exchange Act, add the compensation percentage to the non-executive employees.</p>

<p>the overview of business.</p> <p>As the industry which the Company is engaged in refers to a matured industry, when resolving to allocate earnings, in consideration of the R&amp;D needs and diversified business, the shareholders' dividend allocable shall be no less than 10% of the allocable earnings, including the cash dividend no less than 10% of the whole dividends. Notwithstanding, no dividend shall be allocated, if the allocable earnings per share is less than NT\$0.1.</p>	<p>the overview of business.</p> <p>As the industry which the Company is engaged in refers to a matured industry, when resolving to allocate earnings, in consideration of the R&amp;D needs and diversified business, the shareholders' dividend allocable shall be no less than 10% of the allocable earnings, including the cash dividend no less than 10% of the whole dividends. Notwithstanding, no dividend shall be allocated, if the allocable earnings per share is less than NT\$0.1.</p>	
<p>Article 35:</p> <p>The Articles of Incorporation was established on February 28, 1964. (following content omitted) 50<sup>th</sup> amendments hereto were made on May 26, 2023, <u>51<sup>th</sup> amendments hereto were made on May 27, 2025.</u></p>	<p>Article 35:</p> <p>The Articles of Incorporation was established on February 28, 1964. (following content omitted) <u>49<sup>th</sup> amendments hereto were made on June 21, 2019,</u> 50<sup>th</sup> amendments hereto were made on May 26, 2023.</p>	<p>Add the revision date.</p>

### **III.Matters for Elections**

Proposed by the Board

To elect nine directors.

Description :

1. The term of all directors of the current board will expire on May 29, 2025, please elect another nine directors (including four independent directors) in accordance with the Articles of Incorporation.
2. The candidate nomination system shall apply. Shareholders shall elect directors from the candidate list. Please refer to p.35-38 of the names, education, and experience of candidates.
3. All new directors will take up their office immediately after the election for a term of three years, i.e. from May 27, 2025 to May 26, 2028.

Results :

## China General Plastics Corporation

### List of Candidates for Directorial Election (including independent directors)

No.	A/C No.	Stake	Name	Citizen ID No.	Major Education/Experience	Major Current Position	Remarks
1	95625	145,079,236	Union Polymer International Investment Corporation : Wu, Yi-Gui	—	College graduated Chairman: USI Corporation 、 Asia Polymer Corporation 、 China General Plastics Corp. 、 Taita Chemical Co., Ltd. 、 Acme Electronics Corporation 、 USI Optronics Corporation 、 Swanson Plastics Corporation Executive Director, CTCI Corporation Executive Supervisors, Chinese National Federation of Industries	Chairman: USI Corporation 、 Asia Polymer Corporation 、 China General Plastics Corp. 、 Taita Chemical Co., Ltd. 、 Acme Electronics Corporation Director, CTCI Corporation Executive Director, Chinese National Federation of Industries	Director Candidate
2	95625	145,079,236	Union Polymer International Investment Corporation : Hu, Chi-Hong	—	Fu Jen catholic university department of business administration Director, Taiwan Plastic Materials Industry Association Supervisor, Taiwan Responsible Care Association, TRCA	President, China General Plastics Corporation President, CGPC Polymer Corporation Chairman, Huaxia Plastics (ZhongShan) Co., Ltd. President, Cgpc America Corp.	Director Candidate
3	13363	46,886,185	Asia Polymer Corporation : Wu, Pei-Chi	—	Tunghai University Dow Chemical, General Manager, Asia Pacific Thermosets. Dow Chemical, Sales Director, Greater China Basic Plastics. ESSO Taiwan, Sales Engineer	Director & President: USI Corporation 、 Taita Chemical Co., Ltd. 、 Asia Polymer Corporation	Director Candidate

No.	A/C No.	Stake	Name	Citizen ID No.	Major Education/Experience	Major Current Position	Remarks
4	13363	46,886,185	Asia Polymer Corporation : Tung, Han-Lin	—	Ph.D. Chemical Engineering, National Tsing-Hua University Supervisor, Tech Service, Manufacturing technology & Quality assurance at 3M Advanced Technical Specialist, 3M Corporate Research Lab. CTO, 3M Taiwan, Singapore, Southeast Asia Area, & Greater China Area Managing Director, 3M Taiwan Governor, AmCham Taiwan	Special Assistant to the President, USIG Director, Innovation Center, USIG	Director Candidate
5	118214	550,722	USIFE Investment Co., Ltd. : Wu, Hung-To	—	Globe Institute of Technology Maine Central General Manager & CEO: LZ Wu Investment CO., LTD.	Chairman & CEO: LZ Wu Investment CO., LTD.	Director Candidate
6	—	—	Li, Zu-De	A10241 × × × ×	Bachelor of Dentistry, Taipei Medical University. Chairman: Taipei Medical University 、 Beijing Meida Starbucks Coffee Limited Company 、 Shandong Kexing Bioproducts Director: Beijing Yansha Department Store Independent Director: Hsu Fu Chi International Limited (Singapore) General Manager: H&Q Asia Pacific (China) 、 Hong Kong China Dynamic Growth Fund Managemen	Vice Chairman: Diamond Biofund Inc. Director: Taipei Medical University 、 Diamond Capital Management Co., Ltd. 、 Sun Biofund Inc. 、 Microbio (Shanghai) Co., Ltd. 、 SISSCA Co., Ltd. Member of Performance Target Setting Group in Industrial Technology Research Institute	Independent Director Candidate

No.	A/C No.	Stake	Name	Citizen ID No.	Major Education/Experience	Major Current Position	Remarks
7	—	—	Wang, Ding-Chang	A10336××× ×	PhD, Dept. of Material Science & Engineering, NTU Chairman, Cashido Corp., Ritek Group VP, Swanson Plastics, USI Group	Chairman : Cashido Corp. CEO : Ritek Corp. 、RiTdisplay Corp. 、Pvnext Corp. Director : RiTdisplay Corp. 、Pvnext Corp. 、Ritwin Corp. 、Welltech Energy Inc. 、Ritfast Corp. 、Ritpower (Yangzhou) Co., Ltd. Independent Director : Acme Electronics Corporation	Independent Director Candidate
8	—	—	Hsu, Chen-I	A12110××× ×	MBA, Swiss Business School. Chairman: TTFB Co., Ltd. 、Zhetai Co., Ltd. 、TTFB Charity Foundation.	Chairman: TTFB Co., Ltd. 、Orange Food Investment Co., Ltd.	Independent Director Candidate
9	—	—	Chang, Chen-Ming	A22063××× ×	Graduated from the Department of Communication Design, Hong Kong Polytechnic University Dean of the Department of Commercial Design and Director of the Institute of Commercial Design of Chung Yuan Christian University Vice Dean of Resources, School of Design, Chung Yuan Christian University CEO of United Communication Group and Chairman of United Advertising, Uni-Smart, Uni-Style, TargetLink	Director of Central News Agency Director, Sacred Heart Educational Development Foundation Independent Director of Prince Construction Company	Independent Director Candidate

No.	A/C No.	Stake	Name	Citizen ID No.	Major Education/Experience	Major Current Position	Remarks
					General Manager and Executive Director of Saatchi & Saatchi Taiwan Director of ICRT Director of CTBC Foundation Independent Director of NHOA S.A. France		

The reasons for nominating candidate who has served three terms as an independent director :

Mr. Li, Zu-De has rich practical experience and expertise in the fields of finance and corporate management. It is extremely helpful to CGPC with respect to the financial plan and related risk control. Although he has been re-elected as an independent director of CGPC Corporation for three terms, he usually makes constructive suggestions at the functional committee and the board of directors meetings based on his independent professional judgments. It is recommended to nominate him as an independent director candidate.

## **IV.Matters for Discussion (II)**

Proposed by the Board

To approve the permission of directors for competitive actions.

Description : 1. While some new directors may engage in or operate a business similar to or within the scope of the Company's business, subject to no harm to the interests of the Company, it is proposed to allow such acts in accordance with Article 209 of the Company Act.

2. Please refer to p.40-43 of the competitive actions in which new directors engage.

3. Please vote.

Resolution :



## China General Plastics Corporation

### Directors' Engagment in Competitive Business Table

On the day of being elected, some directors of this Company engage in the following business items that are within the scope of business of this Company:

#### Union Polymer International Investment Corporation

Asia Polymer Corporation
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Taita Chemical Company, Limited
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#### Asia Polymer Corporation

China General Terminal & Distribution Corporation
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APC Investment Corporation
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Acme Electronics Corporation
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#### USIFE Investment Co., Ltd.

Swanson Technologies Corporation
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Taiwan United Venture Management Corporation
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Asia Polymer Corporation
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Taita Chemical Company, Limited
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#### Wu, Yi-Gui ( Union Polymer International Investment Corporation )

A.S. Holdings (UK) Limited	Director	PT. Swanson Plastics Indonesia	Director
Acme Components (Malaysia) Sdn. Bhd.	Director	Swanlake Traders Ltd.	Director
Acme Electronics (Cayman) Corp.	Chairman	Swanson International Limited	Director
Acme Ferrite Products Sdn. Bhd.	Director	Swanson Plastics (India) Private Limited	Director
Acme Advanced Materials Sdn. Bhd.	Director	Swanson Plastics (Malaysia) Sdn. Bhd.	Director
APC (BVI) Holding Co., Ltd.	Director	Swanson Plastics (Singapore) Pte. Ltd.	Director
CGPC (BVI) Holding Co., Ltd.	Director	Taita (BVI) Holding Co., Ltd.	Director
CGPC America Corporation	Director	USI International Corporation	Director
Dynamic Ever Investments Ltd.	President	Chinese National Federation of Industries	Executive Director
Ever Conquest Global Limited	Director	CTCI Corporation	Director
Ever Victory Global Limited	President	Taita Chemical Company, Limited	Chairman
Forever Young Co., Ltd.	Director		
Golden Amber Enterprises Ltd.	Director		

USI (Hong Kong) Company Limited	Director	Swanson Plastics (Tianjin) Co., Ltd.	Director
USIFE Investment Co., Ltd.	Chairman	Swanson Plastics (Kunshan) Co., Ltd.	Director
USI Management Consulting Corp.	Chairman President	Swanson Plastics Corporation	Chairman
Taiwan VCM Corporation	Director	Emerald Investment Corporation	Director
USI Corporation	Chairman	KHL Venture Capital Co., Ltd.	Director
APC Investment Corporation	Chairman	Fujian Gulei Petrochemical Co., Ltd.	Chairman
USI Optronics Corporation	Chairman	Taiwan United Venture Capital Corp.	Chairman
Chong Loong Trading Co. Ltd.	Chairman	Taiwan United Venture Management Corporation	Chairman
USI Education Foundation	Chairman	Union Polymer International Investment Corporation	Chairman President
Asia Polymer Corp.	Chairman	USI Green Energy Corporation	Director
CGPC Polymer Corporation	Chairman	Zhangzhou USI Trading Co., LTD.	Director
Acme Electronics Corporation	Chairman	Xiamen USI Trading Co.,Ltd.	Director
ACME Electronics (Kunshan) Co., Ltd.	Director	Swanson Technologies Trading (Kunshan) Co.,Ltd.	Director
ACME Electronics (Guangzhou) Co., Ltd.	Director		
ASK-Swanson (Kunshan) Company Limited	Director		
Swanson Technologies Corporation	Chairman		

### **Hu, Chi-Hong ( Union Polymer International Investment Corporation )**

CGPC (BVI) Holding Co., Ltd.	Director	CGPC Polymer Corporation	Director President
CGPC America Corporation	Director President	China General Terminal & Distribution Company	Director
Taiwan VCM Corporation	Director		
Continental General Plastics (ZhongShan) Co.,Ltd	Chairman		

### **Wu, Pei-Chi ( Asia Polymer Corporation )**

APC (BVI) Holding Co., Ltd.	Director	USI International Corporation	Director
Dynamic Ever Investments Ltd.	Director	Taita (BVI) Holding Co., Ltd.	Director
Ever Conquest Global Limited	Director	USI (Hong Kong) Company Limited	Director
Ever Victory Global Ltd.	Director	USI Optronics Corporation	Director
Golden Amber Enterprises Ltd.	Director		
Swanlake Traders Ltd.	Director		

USIFE Investment Co., Ltd.	Director	Xiamen USI Trading Co., Ltd.	Chairman
USI Management Consulting Corp.	Director	Zhangzhou USI Trading Co., Ltd.	Chairman
USI corporation	Director	Zhangzhou Dynamic Ever Property Co., Ltd.	Chairman
	President		
APC Investment Corporation	Director	Fujian Gulei Petrochemical Co., Ltd.	Director
USI Green Energy Corporation	Chairman	Taiwan United Venture Capital Corp.	Director
ASIA Polymer Corporation	Director	Swanson Technologies Trading (Kunshan) Co.,Ltd.	Director
	President		
Chong Loong Trading Co. Ltd.	Director	Union Polymer International Investment Corporation	Director
	President		
USI Education Foundation	Director	Taita Chemical (Zhongshan) Co., Ltd.	Chairman
Taita Chemical Company, Limited	Director	Taita Chemical (Tianjin) Co., Ltd.	Chairman
	President		
China General Terminal & Distribution Corporation	Director	Zhangzhou Taita Chemical Co., Ltd.	Chairman
ACME Electronics (Kunshan) Co., Ltd.	Director	USI Trading (Shanghai) Co., Ltd.	Chairman
Swanson Technologies Corporation	Director	USI Trading (Shanghai) Co., Ltd.	President
Swanson Plastics Corporation	Director		

### **Tung, Han-Lin ( Asia Polymer Corporation )**

Swanson Technologies Corporation	Director	Swanson Technologies Trading (Kunshan) Co.,Ltd.	Director
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### **Wu, Hung-To ( USIFE Investment Co., Ltd. )**

LZ Wu Investment CO., LTD.	Chairman
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### **Li, Zu-De ( Independent Director )**

Taipei Medical University	Director	Sun Biofund Inc.	Director
Diamond Capital Management Co., Ltd.	Director	SISSCA Co., Ltd.	Director
		Microbio (Shanghai) Co., Ltd.	Director
Diamond Biofund Inc.	Vice Chairman		

**Wang, Ding-Chang ( Independent Director )**

Ritek Corp.	CEO	Welltech Energy Inc.	Director
RiTdisplay Corp.	Director	Ritfast Corp.	Director
	CEO	Ritpower (Yangzhou) Co., Ltd.	Director
Pvnext Corp.	Director	Acme Electronics Corporation	Independent Director
	CEO		
Cashido Corp.	Chairman		
Ritwin Corp.	Director		

**Hsu, Chen-I ( Independent Director )**

TTFB COMPANY LIMITED.	Chairman	Kung Fu Kitchen CO., LTD.	Chairman
WACHAN INTERNATIONAL LTD.	Chairman	Fresh Daily Co., LTD.	Chairman
SO DELICIOUS RESTAURANT MANAGEMENT CO., LTD.	Chairman	Orange Food Investment Co., Ltd.	Chairman
		Fast gourmet Co., Ltd.	Chairman
TTFB WORLD CO., LTD.	Chairman	ZHE TAI CO., LTD.	Chairman
Gourmet International Trading CO., LTD.	Chairman	TTFB Charity Foundation	Chairman

**Chang, Chen-Ming ( Independent Director )**

Central News Agency	Director	Prince Construction Company	Independent Director
Sacred Heart Educational Development Foundation	Director		

## **V. Extemporaneous Motions**

## **VI. Meeting Adjournment**

# Appendix 1

## China General Plastics Corporation

### Parliamentary Rules for Shareholders' Meetings

Amended on May 26, 2023

#### Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

#### 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

(Convening shareholders meetings and shareholders meeting notices)

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

Any changes to the convening of a shareholders meeting shall be resolved by the board meeting, which should be completed at the latest before the notice of the shareholders meeting is sent.

This Corporation 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 the shareholders meeting agenda and supplemental meeting materials, 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. In addition, before 15 days before the date of the shareholders meeting, this Corporation 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 Corporation. The abovementioned meeting agenda and supplementary materials shall be made available by this Corporation to shareholders in the following ways on the day of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the video conferencing platform.

3. For virtual-only shareholders meetings, electronic documents should be shared on the video conferencing platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and published, and the main contents for the reason should be listed and explained according to law, and shall not be raised by an extraordinary motion.

If re-election of the complete board of directors is listed as the purpose of a meeting of shareholders and the inauguration date is stated, after the completion of the board of directors, the inauguration date shall not be changed by a motion or other means in the same meeting of shareholders.

A shareholder 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. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of 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, and the location and time period for their submission in writing or by way of electronic transmission; the period for submission of shareholder proposals may not be less than 10 days.

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

#### 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.

Should the shareholder decide to attend the shareholders meeting by video conferencing after a proxy form has been received by this Corporation, a written notice of proxy cancellation shall be

sent to this Corporation 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5

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

The venue for a shareholders meeting shall be the premises of 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.

The restriction on the place of the meeting shall not apply when this Corporation convenes a virtual-only.

#### Article 6

(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which shareholder, solicitors and proxies (collectively "shareholders") attendance registrations 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.

Registering to the video conferencing platform of the shareholders meeting should be completed at least 30 minutes before the meeting starts, those who complete the registration process are considered to have attended the meeting in person.

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

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.

For shareholders meetings that are held by video conferencing, shareholders who would like to attend the video conferencing of shareholders meeting should register with this Corporation at least two days before the shareholders meeting.

For shareholders meetings that are held by video conferencing, this Corporation shall upload the



meeting agenda, annual report and other relevant information to the video conferencing platform 30 minutes before the shareholders meeting, and keep this information disclosed until the end of the meeting.

#### Article 6-1

(Matters to be included in the notice for the shareholders meeting conducted via video conferencing)

The shareholders meeting notice should specify the following matters if the meeting is also made available through video conferencing:

1. Methods of participation in the meeting through video conferencing and for exercising their rights.
2. The handling of issues with the video conferencing platform or participation in the video conference due to natural disasters, incidents or other force majeure events.
3. Other matters as required by law.

#### Article 7

(The chair and non-voting participants of a shareholders meeting)

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

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

(Documentation of a shareholders meeting by audio or video)

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.

For the shareholders meetings held by video conferencing, this Corporation shall retain records of the shareholders' registration, login, check-in, questioning, voting and vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire meeting.

The abovementioned materials and audio and video recordings shall be properly retained by this Corporation during the period of existence.

## 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 number of shares represented as checked in to the video conferencing meeting platform, and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

## Article 10

(Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Any extemporary motion(s) and/or the amendment(s) to the original proposal(s) shall be resolved. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

When the chair is of the opinion that a proposal and of amendments or extraordinary motions has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and Specify the voting time, and that the shareholders present should complete voting before the voting time ends.

## Article 11

(Shareholder speech)

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

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

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

Report Items and matters unrelated to the proposals will not be put into discussion or vote. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

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

For the shareholders meetings held by video conferencing, the shareholders who attend the meeting by video conferencing may raise their questions in text on the video conferencing platform after the chair announces the start of the meeting and before the chair announces the ending of the meeting. A shareholder may not raise their questions more than twice for a single motion, and each question is limited to 200 words.

## Article 12

(Calculation of voting shares and recusal system)

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 this Corporation holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights

are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 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 by video conferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this 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 chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

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

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

After the chair announces the start of the meeting, the shareholders who participate in the meeting through video conferencing shall conduct voting on various motions and election through the video conferencing platform, and must complete the voting before the chair announces the close of voting. Those who do not complete the voting before the announced ending time are considered abstention.

For the shareholders meetings held by video conferencing, the votes shall be counted once after the chair announces the close of voting, and the results of the voting and election will be announced.

#### Article 14

##### (Election)

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

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 chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. 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 chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results of resolution (including a record made of the vote); where there is an election of directors, shall record the number of the vote for each candidate who is nominated and the minutes shall be retained for the duration of the existence of this Corporation.

#### Article 16

##### (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and number of shares whose voting rights are exercised by correspondence or electronically, and shall make an express disclosure of the same at the place of the shareholders meeting. For shareholders meetings that are held by video conferencing, this Corporation shall upload the above information to the video conferencing platform 30 minutes before the shareholders meeting, and keep it disclosed until the end of the meeting.

When the shareholders meeting by video conferencing is announced to start, the number of voting rights of the attending shareholders shall be disclosed on the video conferencing platform. The same

applies to when the total number of shares of the shareholders in attendance and a new tally of votes is released during the meeting

#### Article 17

(Maintaining order at the meeting place)

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

The chair may direct 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 chair may prevent the shareholder from so doing.

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

#### Article 18

(Recess and resumption of a shareholders meeting)

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

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

#### Article 19

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

In case of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

# Appendix 2

## China General Plastics Corporation

### Articles of Incorporation (Before Amendment)

#### Section 1. General Provisions

- Article 1: The Company is incorporated under the Company Act of the Republic of China and named “華夏海灣塑膠股份有限公司” and “CHINA GENERAL PLASTICS CORPORAYION” in English.
- Article 2: The scope of the Company’s business is specified as follows:
1. Manufacture of plastic and raw materials.
  2. Manufacture of plastic products.
  3. Manufacture of the raw materials of plastic products.
  4. Manufacture of the printing and embossed wheel.
  5. Technical service (including design and installation), manufacture and sale of chemical equipment (including VCM plant).
  6. Marketing and commission processing business of above products.
  7. Research and extension services for the above businesses.
  8. F207110 Retail Sale of Petrochemical Materials.
  9. F107110 Wholesale of Petrochemical Materials.
  10. ZZ99999 Other than business requiring special approval, any business not prohibited or restricted by laws or regulations.
- Article 2-1: The Company’s total investment may be exempted from the restriction for no more than 40% of the paid-in capital prescribed by Article 13 of the Company Act.
- Article 2-2: The Company may make endorsement/guarantee externally due to the Company’s business needs or investment needs. The endorsement/guarantee shall be signed by the Chairman on behalf of the Company and comply with the Company’s operating procedure for making endorsement/guarantee.
- Article 3: The Company’s head office is situated in Taipei City, Taiwan, the R.O.C., and it’s factories are set up at the suitable site within the territories of the R.O.C., When necessary, the Company may set up branches or offices locally or overseas as approved by boards’ meeting.
- Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

#### Section 2. Stocks

- Article 5: The total capital stock of the Company shall be in the amount of

NT\$6,500,000,000, divided into 650,000,000 common shares, at a par value of NT\$10 per share, and may be issued in installments.

Article 6: When issuing shares, this Company may be exempted from printing the stocks for such shares, provided that registration to and retention by a centralized securities depository enterprise shall be made. Printed stocks shall be registered stocks signed or stamped by the directors representing the Company. Such stocks shall be numbered and certified by the law prior to issuance.

Article 7: (Deleted)

Article 8: The Company's handling of its shareholders services shall comply with the "Regulations Governing the Administration of Shareholder Services of Public Companies" prescribed by the securities authority.

Article 9: (Deleted)

Article 10: (Deleted)

Article 11: (Deleted)

Article 12: (Deleted)

Article 13: The transfer of shares shall not be registered within 60 days prior to the convening date of a general shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within five (5) days prior to the record date fixed by the Company for distribution of dividends, bonus or other benefits.

### **Section 3. Shareholders' Meeting**

Article 14: The Company's shareholders' meetings consist of the following:

1. General shareholders' meeting, shall be held once a year and within six (6) months after close of each fiscal year.
2. Special shareholders' meeting, may be convened pursuant to laws when necessary.

Unless otherwise provided for in laws and orders, a shareholders' meetings shall be convened by the Board of Directors.

Article 15: Convening of a general shareholders' meeting shall be notified thirty (30) days ago. Convening of a special shareholders' meeting shall be notified fifteen (15) days ago.

Article 15-1: Shareholders' meeting of the company can be held by video conferencing or other methods announced by the central competent authority.

Article 16: Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act or other laws, be adopted by a majority of eligible votes of the shareholders present, who represent more than a majority of the total issued shares. A shareholder who exercises his/her/its voting power at a shareholders meeting by



way of writing or electronic transmission shall be deemed to have attended said shareholders' meeting in person. The related matters shall be implemented in accordance with laws.

Article 17: When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-thirds or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present shareholders. A notice of such tentative resolution shall be given to each of the shareholders, and a shareholders' meeting shall be reconvened within one (1) month. In said shareholders' meeting, if the tentative resolution is again adopted by a majority of those present who represent one-thirds or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding Article, unless otherwise provided in the Company Act.

Article 18: Unless otherwise provided for in laws or the Articles, each of shares held by each shareholder shall have the right to one (1) vote.

Article 19: (Deleted)

Article 20: Where any shareholder fails to attend a shareholders' meeting, he/she/it may appoint a proxy, pursuant to the Company Act and "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies", which announced by securities authority, to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.

Article 21: Unless otherwise provided for in the Company Act, a shareholders' meeting shall be convened by the Board of Directors, and chaired by the Company's Chairman of Board. Where the Chairman is absent, he/she is represented by the vice chairman. Where the vice chairman is also absent, the Chairman shall appoint a proxy to act on behalf of him/her. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. A shareholders' meeting shall be proceeded in accordance with the Company's Parliamentary Rules for Shareholders' Meetings.

Article 22: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be, together with the shareholders' attendance book and proxy letter, if any, retained at the Company. The minutes shall be distributed to all shareholders of the Company within twenty (20) days. The distribution of the minutes may be effected by means of a public notice.

#### **Section 4. Directors and Audit Committee**

Article 23: A candidates nomination system shall be adopted by the Company for election of

independent directors and non-independent directors. The Company shall have 9~11 directors who shall be elected by the shareholders' meeting from among the name list of candidates. The Chairman of the Board of Directors shall be elected from among the directors by a majority vote at a meeting attended by over two-thirds of the directors pursuant to Article 208 of the Company Act. The Chairman of the Board of Directors shall externally represent the Company. Electing from among the directors as the vice chairman is allowed in the above way. The total shares of the Company's registered share certificates held by the whole directors shall be no less than the proportion prescribed by the competent securities authority.

Article 23-1: The directors referred to in the preceding Article shall include at least three (3) independent directors.

The professional qualifications, shares held, restrictions on concurrent positions held, method of nomination and election, and other matters for compliance with respect to independent directors shall be governed by the competent securities authority's related regulations.

Article 23-2: The Company shall establish an Audit Committee pursuant to the Securities and Exchange Act, which shall consist of all independent directors of the Company. The Audit Committee or the committee members shall be responsible for exercising a supervisor's power prescribed by the Company Act, Securities and Exchange Act, and other related laws.

Article 23-3: The Company's Board of Directors may establish other functional committees. The articles of association thereof shall be established by the Board of Directors.

Article 24: The term of a director is three years and may be eligible for re-election.

Article 25: Functions of the Board of Directors:

1. Frame the organization.
2. Decide the business policy;
3. Review important regulations and contracts;
4. Appoint and dismiss managers;
5. Set up and terminate branches and sub-factories;
6. Draft budget and financial reports;
7. Review the investment in the business rewarded by the government
8. Draft allocation of earnings;
9. Decide the issuance of new shares;
10. Enforce the resolution made by a shareholders' meeting ;
11. Exercise the powers granted pursuant to laws, "Articles of Incorporation" and by a shareholders' meeting.

Article 26: Directors' meetings which convened by the Chairman, are chaired by the Chairman. Where the Chairman is absent, the Chairman shall appoint a director to act on behalf of him/her. In the absence of such a designation, the directors shall elect

from among themselves an acting chairman of the board of directors.

Article 27: The convener shall notify each director of the agenda within seven (7) days prior to the meeting. However, in the case of emergency, the meeting may be convened at any time.

A directors' meeting may be convened in writing or by electronic transmission.

Article 28: Where any director may authorize another director in writing to attend the directors' meeting on behalf of him/her pursuant to Article 205 of the Company Act.

Resolutions at a directors' meeting shall, unless otherwise provided for in laws or "Articles of Incorporation", be adopted by a majority of eligible votes of the directors at a meeting attended by a majority of the whole directors.

Article 29: (Deleted)

Article 30: The amounts of remuneration to directors shall be determined by the shareholders' meeting based on the rate prevailing in fellow companies and the directors' participation in and contribution to the Company's operation, regardless of whether or not the Company operates of profit. If a director serves other position concurrently in the Company, he/she may be remunerated with salary according to general standard.

Article 30-1: The Board of Directors has set up a Secretariat of the Board dedicated to handling the affairs related to the Board of Directors.

## **Section 5. Managerial Personnel**

Article 31: Job title, appointment, discharge and remuneration of the Company's managerial personnel, if any, shall be decided by a majority of the directors present at a meeting attended by a majority of the whole directors. The Company's managerial personnel shall process the Company's routine affairs per the resolution made by a directors' meeting.

Article 31-1: The Company shall purchase liability insurance against the damages to be borne by directors and officers with respect to the scope of business carried out by them during their term of office.

## **Section 6. Final Accounts**

Article 32: The Company's fiscal year shall commence from January 1 until December 31 of each year. The Board of Directors shall prepare the following reports at the end of each fiscal year and send them to the general shareholders' meeting for recognition:

1. Business report;
2. Financial statements;
3. Motion for allocation of earnings or covering of loss.

Article 33: If the Company retains earnings in the current year, it shall allocate the compensation to directors and employees. The compensation to directors shall be no more than 1% of the earnings gained in the current year, while the compensation to employees shall be no less than 1% of the earnings. Notwithstanding, if the Company retains accumulated losses, it shall reserve the amount to be covered in advance.

Said compensation to employees may be allocated in the form of shares or in cash, compensation for employees may also be distributed to employees of companies controlled by or affiliated to this Company. The specific requirements shall be defined by the Board of Directors.

If the Company has net profits after tax according to its annual financial account, the Company may, after making up all past losses, set aside a 10% legal reserve from the remainder, if any. The remaining allocable earnings, if any, plus the accumulated unappropriated earnings for prior years and the balance after provision or reversal of special earnings required by the competent authority, shall be accumulated allocable earnings, which shall be allocated according to the proposal drafted by the Board of Directors and resolution made by a general shareholders' meeting duly. The shareholders' meeting may retain the earnings, in whole or in part, subject to the overview of business.

As the industry which the Company is engaged in refers to a matured industry, when resolving to allocate earnings, in consideration of the R&D needs and diversified business, the shareholders' dividend allocable shall be no less than 10% of the allocable earnings, including the cash dividend no less than 10% of the whole dividends. Notwithstanding, no dividend shall be allocated, if the allocable earnings per share is less than NT\$0.1.

## **Section 7. Bylaw**

Article 34: Any matters not covered herein shall be implemented in accordance with the Company Act and related laws of the R.O.C.

Article 35: The Articles of Incorporation was established on February 28, 1964. (following content omitted) 48<sup>th</sup> amendments hereto were made on June 22, 2018, 49<sup>th</sup> amendments hereto were made on June 21, 2019 , 50<sup>th</sup> amendments hereto were made on May 26, 2023.

In case of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

# Appendix 3

## China General Plastics Corporation

### Rules for Election of Directors

Amended on May 26, 2023

- Article 1: The Company's directors shall be elected in accordance with the Rules.
- Article 2: Election of the Company's directors shall be conducted at a shareholders' meeting.
- Article 3: Unless otherwise provided in related laws, the Company's directors shall be elected by the shareholders' meeting from the name list of candidates.
- Article 4: Quota of the Company's directors shall be based on the quota defined in the Company's Articles of Incorporation and approval by the Board of Directors.
- Article 5: The election of the Company's directors shall adopt an open cumulative voting system. In the process of electing directors at a shareholders' meeting. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. The votes which is cast on the site at the shareholders' meeting. Attendance card numbers printed on the ballots may replace the names of voting shareholders. The voters' equity shall be based on the Company's roster of shareholders. Election of the Company's independent directors and non-independent directors shall adopt the candidate nomination system referred to in Article 192-1 of the Company Act.
- Article 6: The Company's independent and non-independent directors shall be elected at the same time, but in separately calculated numbers. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elected. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- The votes referred to in Paragraph 1 shall be calculated based on the votes cast at the shareholders' meeting plus written vote or e-votes.
- For the e-voting result referred to in the preceding paragraph, an entity which meets Article 44-6 of the Regulations Governing the Administration of Shareholder Services of Public Companies shall be commissioned to verify the shareholders' identity and votes and certify the statistics of votes prior to the shareholders' meeting.
- Article 7: The Board of Directors shall prepare ballots to be cast at the shareholders' meeting.

The ballots shall be affixed with the Company's official seal, as well as the voters' attendance card number and number of votes.

For the election of the Company's directors, shareholders may choose to exercise their voting right in electronic form or by balloting on the site.

Shareholders who choose to exercise their voting right in an electronic form shall exercise the right on the e-voting platform designated by the Company.

Article 8: The chairperson shall designate several monitoring and counting personnel prior to the election to perform their duty.

Article 9: The ballot box and lot-drawing box at the shareholders' meeting shall be prepared by the Company and inspected by the monitoring personnel openly before the voting or lot drawing.

Article 10: Electors should check only one of the candidates listed in the "To be Elected" field of each ballot. However, if shareholders exercise their votes in an electronic form, their voting shall be handled in accordance with the relevant laws and regulations of the competent authority.

Article 11: A ballot is invalid under any of the following circumstances at the shareholders' meeting:

- I. The ballot adopted is not that prepared pursuant to the Rules.
- II. A blank ballot that has not been checked is placed in the ballot box.
- III. The checkmark is unclear and indecipherable.
- IV. The candidate that has been checked, or the number of voting rights allotted is altered.
- V. Other words or marks are entered in addition to the information checked pursuant to the preceding Article and the number of voting rights allotted.
- VI. There are more than two candidates on the same ballot.
- VII. The total number of checked candidates exceeds the number of candidates to be elected.

VIII. Total of voting rights allotted exceed the number of votes held by voters.

Where the shareholders exercise their votes in writing or an electronic form, the invalid ballots shall be identified pursuant to the Rules and also the related laws promulgated by the competent authority.

Article 12: Where the total of voting rights allotted are less than the number of votes held by the voters, the decreased votes shall be waived.

Article 13: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the results of calculation of written vote or e-voting, shall be announced by the chairperson on the site.

Article 14: The Company shall issue notifications to the persons elected as directors.

Article 15: The ballots for the election cast on the site, together with the written vote or e-voting materials, shall be sealed with the signatures/seals of the monitoring personnel and kept by the Company in proper custody for at least one year. If, however, a

shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 16: If the shareholder meeting is held by video conferencing or other methods announced by the central competent authority, and there are other rules to be complied with as specified by the securities authority, the Company shall also comply with those rules.

Article 16-1: Any matters not covered herein shall be implemented in accordance with the Company Act, the Company's Articles of Incorporation, and other related laws.

Article 17: The Rules shall be enforced upon approval by a shareholders' meeting. The same shall apply where the Rules are amended.

In case of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

## Appendix 4

### China General Plastics Corporation

#### Stake of Directors

Title	Name	Stake
Chairperson	Yi-Gui Wu (Representative of Union Polymer International Investment Corporation)	145,079,236
Vice Chairman	Han-Fu Lin (Representative of Union Polymer International Investment Corporation)	
Director	Pei-Chi Wu (Representative of Asia Polymer Corporation)	46,886,185
Director	Han-Tai Liu (Representative of Asia Polymer Corporation)	
Director	Hung-To Wu (Representative of USIFE Investment Co., Ltd.)	550,722
Independent Director	Zu-De Li	0
Independent Director	Ying-Bin Zheng	0
Independent Director	Chen-I Hsu	0
Independent Director	Chen-Ming Chang	0
Total Stake of Directors		192,516,143
Stake by Law of Directors		18,593,615

Note: 1. The said stake is the number of shares registered in the List of Shareholders dated by the book due date (March 29) of the 2025 AGM.

2. The total issued shares of CGPC are 581,050,494 shares.



## **Appendix 5**

### **The Impact of Stock Dividend Issuance on Business Performance, EPS, and ROE:**

No estimates should be disclosed as no financial forecast was made for 2025.

## **Appendix 6**

### **Description of shareholders proposals:**

1. Referring to Article 172-1 of the Company Act: “Shareholder(s) holding one per cent (1%) or more of the total number of outstanding shares of a company may make a proposal for discussion at a general meeting of shareholders, provided that only one matter shall be allowed in each single proposal of not more than 300 words.”
2. The acceptance period of proposals from shareholders for the 2025 AGM is from March 20, 2025 to March 30, 2025. Such information was disclosed on the Market Observation Post System by law on March 12, 2025.
3. No proposal from shareholder was received during the said period.