



## Chungghwa Chemical Synthesis & Biotech Co., Ltd.

### Notice of 2022 General Shareholders Meeting

(Summary Translation)

Chungghwa Chemical Synthesis & Biotech Co., Ltd. (the “Company”) will hold its 2022 General Shareholders Meeting (the “Meeting”) at 9:00 am on Wednesday, May 25, 2022 at Room 401, NTUH International Convention Center, 4<sup>th</sup> Floor, No. 2, Xuzhou Road, Zhongzheng District, Taipei City. Attending shareholders may check in at the abovementioned venue at 8:30 am of the meeting date.

#### A. Meeting Agenda:

##### (I) Reporting matters:

1. 2021 Business Report.
2. Audit committee’s review report on the 2021 financial results.
3. Report on the compensation of employees and board directors in 2021.
4. Other reports.

##### (II) Acknowledgments:

1. 2021 Business Report and Financial Statements.
2. Distribution of 2021 earnings.

##### (III) Discussions:

1. Partial amendments to the “Articles of Incorporation”.
2. Partial amendments to the “Regulations Governing the Acquisition or Disposal of Assets”.
3. Intended Private Placement for Issuance of Common Stock Shares or Domestic Convertible Corporate Bonds (Including Secured or Unsecured Convertible Corporate Bonds).

##### (IV) Election Matters:

The director (including the independent director) re-election case.

##### (V) Other Discussions:

Proposal for canceling the non-compete restriction for new directors and their representatives.

##### (VI) Extempore Motions

#### B. Proposal for distribution of 2021 earnings:

The total amount of earnings distributed to shareholders is NT\$100,828,000. Each common share holder will be entitled to receive a cash dividend of NT\$1.3 per share. After obtaining shareholders’ approval, the record date will be resolved and decided by the Board of Directors. It is also proposed that the Board of Directors be authorized to administer any changes to this distribution, due to objective or subjective regulatory factors or as required by the competent authority.

#### C. Please refer to the Appendix for the company's plans to private placement for common shares or Domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds).

#### D. The number of directors to be elected at the shareholders' meeting is seven (including three

independent directors).

E. Director (including the independent director) candidates list :

(I) Director candidates list :

1. China Chemical & Pharmaceutical Co., Ltd. representative: Yi-Zhen Xie Wang
2. China Chemical & Pharmaceutical Co., Ltd. representative: Hou-Kai Wang
3. Wang Ming-Ning Memorial Foundation representative: Chung-Hsin Huang
4. Wang Ming-Ning Memorial Foundation representative: Hou-Jie Wang

(II) Independent director candidates list :

1. Kuo-Chiang Wang
2. Chih-Hsien Chang
3. Arthur Kuan

About the above candidates' academic experience and other related information, please inquire the public information observatory [website: <https://mops.twse.com.tw>] announcement.

F. According to the provisions of Article 209 of the Company Law, the content of release non-compete restrictions on newly elected directors and authorized representatives., please refer to the Agenda of 2022 General Shareholders Meeting.

G. Please find the Notice of attendance and Proxy Form enclosed with the Meeting Notice. If you plan to attend in person, please affix your signature or personal seal on the "attendance sign-in card" and register at the meeting venue on the date of the meeting. If you plan to appoint a proxy to attend the Meeting, please affix your signature or personal seal on the proxy, fill out the name and address of the proxy, and deliver to the registrar of the Company, Stock Registration Department of Yuanta Securities Co., Ltd (B1F., No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City 103432, Taiwan (R.O.C.)), five days prior to the annual shareholders' meeting, to facilitate dispatching attendance sign-in card to the engaged proxy.

H. The statistics and verification for the proxies of the Company is the Stock Registration Department of Yuanta Securities Co., Ltd.

I. If there is any shareholder who intends to solicit for the Proxy Form, the Solicitor's Solicitation Information List compiled by the Company will be available on April 22, 2022 on the website of the Securities and Futures Institute (<http://free.sfib.org.tw>). For inquiries, please visit the website and click "Free Inquiry System for Information Related to the Public Announcement of Proxy Form"; then input the conditions of inquiry accordingly.

J. Regarding the major content of the annual shareholders' meeting, please visit the Market Observation Post System (<http://mops.twse.com.tw>) and click "Basic Information/Electronic Books/Information Related to Annual Report and Stockholders' Meeting.

K. Shareholders may exercise their voting rights through the "StockVote" platform of Taiwan Depository & Clearing Corporation during the period from April 25, 2022 to May 22, 2022 in accordance with the relevant instructions. (Website: [www.stockvote.com.tw](http://www.stockvote.com.tw))

L. In the event that the Company has to change the venue of the Annual Shareholders' Meeting due to impacts from the COVID-19 (novel coronavirus 2019) outbreak, such information will be announced in the Material Information section of the MOPS.

Board of Directors, Chunghwa Chemical Synthesis & Biotech Co., Ltd.

## **Appendix :**

### **Chunghwa Chemical Synthesis & Biotech Co., Ltd.**

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

- I. To enrich the operating capital, pay off debts borne by the Company, or for other demands for funds to support future developments of the Company, the Company intends to introduce strategic funds raised by investors through private placement reflective of the market situation and the needs of the Company for issuance either common stock shares or domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds) or common stock shares in combination with domestic convertible corporate bonds separately or concurrently. The actual number of shares to be issued or convertible is to be decided by the Board of Directors as authorized through the shareholders' meeting depending on the situation on the capital market and may not exceed 20% (that is, 15,512,000 shares) of the total number of outstanding shares.
- II. Clarifications are provided below as required by Article 43-6 Paragraph 6 of the Securities and Exchange Act:
  - (I) Basis for and legitimacy of pricing:
    1. The price per share of private placement common stock may not be below 80% of the reference price. The reference price is the higher of those calculated according to the two criteria below:
      - (1) The price obtained with the simple arithmetic mean of the closing prices of the one, three, or five business days prior to the pricing date from which the free allotment ex-right and cash dividend subtracted and capital decrease reverse ex-right added back up.
      - (2) The price obtained with the simple arithmetic mean of the closing prices of the thirty business days prior to the pricing date from which the free allotment ex-right and cash dividend subtracted and capital decrease reverse ex-right added back up.
    2. Private Placement for Issuance of Convertible Corporate Bonds :
      - (1)Face value per bond: NT\$100,000 or its multiples.
      - (2)Issuance period:Not more than seven years from the date of issue.
      - (3)Coupon rate: Tentatively set at 0% per annum.
      - (4)The issue price of private placement convertible corporate bonds may not be below 80% of the theoretical price. The theoretical price will be determined with the valuation model selected that covers and takes into consideration at the same time various rights included in the issuance criteria. The convertible price is the higher of either the simple average closing price of the common shares for any of either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, or the simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, and may not be lower than 80% of the reference price as the basis for the determination.
    3. The pricing date, actual reference price and theoretical price, and actual issue price (including the conversion price of private placement convertible corporate bonds) are intended to be decided by the Board of Directors according to the requirements mentioned above as authorized through the shareholders' meeting reflective of the market situation, objective criteria, and arrangements with specific persons on a later date. The private placement price (including the conversion price of private placement

convertible corporate bonds) is determined according to the laws and regulations set by the competent authority, with reference to the reference price or theoretical price mentioned above in addition to the “three-year transfer restriction” for private placement securities under the Securities and Exchange Act; as such, the price set shall be reasonable.

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

(III) Rationale for organizing private placements:

1. Why no public offering? In light of the situation on the capital market, time-efficiency, feasibility, and issue cost of capital raising, and the actual needs for introducing strategic investors, the requirement that private placement securities may not be transferred freely within three years helps ensure the long-term partnership between the Company and its strategic investors; as such, securities are issued not through public offering but through private placement.
2. Private placement limit: Not to exceed 15,512,000 common stock shares.
3. Purpose of private placement funds and expected benefits to be fulfilled: The Company will organize private placements once or multiple times (3 times at maximum) reflective of the market situation and status of approaching specific persons. All the funds raised through private placements are used to enrich the operating funds. Each private placement is expected to reinforce the competitive advantages of the Company, improve the operating efficacy, and strengthen the financial structure and hence helps with the shareholders’ equity positively.

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

IV. The rights and obligations associated with the current private placement common stock shares are identical to those of outstanding common stock shares of the Company. Applicable restrictions for securities in the current private placement shall be based on Article 43-8 of the Securities and Exchange Act and clarifying letters of applicable laws and regulations from the competent authority.

V. To facilitate the current placement of securities, it is intended to authorize the Chairman or his/her designee through the shareholders’ meeting to negotiate, finalize, and enter into all contracts and

documents concerning the current private placement and take care of all the matters required for the current private placement on behalf of the Company. For matters not specified above, the Chairman is authorized to handle them at his/her own discretion as required by law.

VI. Whether the independent directors have any objections or reservations: No.

VII. Whether there has been a major change in operating rights within one year before the private placement of securities is resolved to within one year from the date of delivery of the private placement of securities: No.

VIII. For the proposal of the company's private placement of securities, in accordance with Article 43-6 of the Securities and Exchange Act, please refer to the Public Information Observatory for details (website: <https://mops.twse.com.tw/mops/web/t116sb01>) And the company's website (<http://www.ccsb.com.tw>).