

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. 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>).