

China Petrochemical Development Corp.

2013 Annual Shareholders Meeting

Meeting Minutes

(Translation)

Date: June 28, 2013

Disclaimer:

This English version of the Shareholder Meeting Minutes is for reference only. It has been translated from the original Chinese version. Whereas the original Chinese meeting minutes is designed to be a summary of the 2013 CPDC General Shareholder Meeting. In the case of any discrepancies, the video/audio recording is to prevail.

本次股東常會紀錄僅要領載明議事之經過及其結果：會議進行內容、程序及股東發言仍以會議影音紀錄為準

China Petrochemical Development Corporation
2013 General Shareholder Meeting Agenda

Time: 9:30 a.m., June 28, 2013
Location: The Toufen Plant of CPDC
(No. 217, Sec. 2, Ziqiang Road, Toufen Township, Miaoli County, Taiwan)
Attendants: All shareholders or their proxy holders.
Board member present:
 Jiun-Nan Bai, Vice Chairman
 Rui-Long Chen, Independent Director
 Kuen-Ming Lin, Supervisor
Invitees: Richard Lin, Attorney-at-law, Giant Era International Law Office,
 Melody Chen, Partner, KPMG
Chairman of the meeting:
 Mr. Jiun-Nan Bai, Vice Chairman of the Board of Directors

I. Reporting shares presented:

The total number of common shares issued and outstanding is 2,319,989,666. Of those shares 61.34% or 1,423,176,685 shares were represented electronically (462,946,959 shares) or at the meeting either in person or by proxy for the respective shareholders.

II. The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

III. Chairman's Address (omitted)

IV. Report Items (please refer to the [2013 CPDC AGM Handbook](#))

1. 2012 Business Report: please refer to Attachment.
2. Audit Report by Supervisors: please refer to Attachment 2.
3. Status of the independent contracts inspector engaged in 2012

Details:

- A. At the June 27, 2012 annual shareholder's meeting, shareholders passed a proposal to engage independent contracts inspectors and elected Dannie Lee (李逢暉) as an inspector to secure and protect shareholders' equity against the default of downstream companies.
- B. Subsequent to the AGM, the disputed contracts were resolved to the satisfaction of both parties. Moreover, Mr. Dannie Lee turned down the position as an

Independent Contract Inspector, due to a busy schedule and management responsibility in his accounting practice. In the spirit of full disclosure, senior management wishes to inform shareholders of the resolution of this issue and therefore has no further need for an independent contract inspector.

4. Report the effects on the Company's distributable net profit and special reserve after the adoption of the International Financial Reporting Standards (IFRS) in 2013.

Details:

- A. The Company reports special reserves in accordance with Financial Supervisory Commission ("FSC") reference letter number 1010012865 on April 6, 2012.
- B. Due to the Company's adoption of the International Financial Reporting Standards (IFRSs), undistributed earnings has increased NT\$4,235,076 thousand and NT\$174,602 thousand at the transition date of January 1, 2012 and December 31, 2012, respectively.
- C. In accordance with the above FSC reference letter, as of the January 1, 2012 transition date, an unrealized revaluation gain of NT\$5,281,790 thousand was recorded. Due to exempt items in IFRS 1 adoption "First Time Adoption of IFRS" at the transition date, a special reserve in the amount of NT\$4,235,076 thousand will be recorded. For details on adjustments to undistributed earnings, please refer to the proposal for distribution of 2012 profits.

5. Other reporting items:

Report the Company's procedures pursuant to Article 172-1 of the Company Act to register shareholder proposals.

Details:

In accordance with Article 172-1 of the Company Act, the Company publicly announced it would accept the registration of shareholder's proposals between April 23rd and May 4th, 2013. Shareholders holding greater than one percent of the Company's stocks were eligible to propose resolution for the 2013 Annual General Meeting. No requests were received for the inclusion of any additional items on the agenda.

V. Ratification Items

ITEM 1: Ratification of the 2012 business report and financial statements

(Proposed by the Board of Directors)

Proposal: Submission of the Company's 2012 business report and financial statements

for ratification.

Explanation:

1. The Company's 2012 financial statements have been audited by Ms. Melody Chen and Mr. Charles Chen of KPMG.
2. The Company's 2012 business report and financial statements have been audited by the Board of Supervisors, and are hereby submitted for adoption.
3. Please refer to:
Attachment 1: 2012 Business Report
Attachment 3: 2012 Financial Statements

Resolution:

Voting results: shares present at the time of voting: 1,414,527,016

Voting results*		% of shares presented at time of voting
Votes in favor:	1,276,882,234 (336,063,327)	90.26%
Votes against:	137,398 (137,398)	0.009%
Votes invalid or abstained:	126,746,234 (126,746,234)	8.96%

**Including votes casted electronically (number in brackets).*

RESOLVED, that the 2012 business report and financial statements were ratified as submitted.

ITEM 2: Ratification of the 2012 Earnings Distribution Proposal

(Proposed by the Board of Directors)

Proposal: Adoption of the 2012 earnings distribution proposal

Explanation:

1. The Company's distribution of 2012 earnings, in compliance with the regulations of the Company Act, the Securities and Exchange Act, and the Company Bylaws, are determined as below and approved by the Board of Directors and audited by the supervisors.
 - a. The Company's after-tax net income for 2012 is NT\$1,418,079,205. With the

inclusion of undistributed earnings from previous years of NT\$435,585,038, the total amount eligible for distribution is NT\$1,853,664,243. The proposed distribution is as follows:

- i. Legal reserve of NT\$141,807,921
 - ii. Ordinary dividend of NT\$1,159,994,833 (Cash dividends of NT\$0.5 per share).
 - iii. Period end undistributed retained earnings of NT\$551,861,489
- b. The Company proposes a cash dividend distribution of NT\$0.5 per share. If there are adjustments to the distribution of cash dividend mentioned above due to cash capital increase, share buyback, treasury stock transfer, treasury stock conversion, treasury stock cancellation, conversion to corporate bonds and employee stock options, the Company requests the shareholders' meeting to authorize the chairman to adjust the distribution of dividend according to the agreed amount based upon shares outstanding on the ex-dividend date. Cash dividends will be calculated to the nearest New Taiwan Dollar.
- c. Based on Article 32 of the Company's Articles of Incorporation, after-tax net income after the distribution of NT\$25,525,426 for executive compensation and NT\$38,288,139 for employee bonuses. Both distributions are to be paid in cash.
- d. For the distribution of cash dividends, after ratification by the Shareholders' Meeting, the Board of Directors are authorized to determine the record date for the distribution of dividends.
2. Please refer to Attachment 4 for the 2012 Earnings Distribution Table.

Resolution:

Voting results: shares present at the time of voting: 1,414,527,016

Voting results*		% of shares presented at time of voting
Votes in favor:	1,275,759,271 (334,817,364)	90.18%
Votes against:	1,506,074 (1,506,074)	0.1%
Votes invalid or abstained:	126,623,521 (126,623,521)	8.95%

**Including votes casted electronically (number in brackets).*

RESOLVED, that the 2012 earnings distribution proposal approved as proposed.

VI. Discussion and Election Items

ITEM 1: Discussion of the amendments to Corporate Bylaws

(Proposed by the Board of Directors)

Proposal: Discussion of the amendments to certain parts of the Corporate Bylaws to strengthen the Company's corporate governance practice and to adhere to local regulatory changes

Explanation:

1. Revise provisions of the Articles of Incorporation
 - A. In order to further enhance the Company's corporate governance practice, the Company proposes to revise the "Articles of Incorporation" to add one more Independent Director and to setup an Independent Audit Committee.
 - B. Please refer to attachment 5 for the pre and post-amendment comparison chart.
2. Revise procedures for acquiring or disposing of assets
 - A. Revise the article of the "Procedures for Acquisition or Disposal of Assets" in response to the Company's business needs and for clarification of responsibilities resulting from organization restructure.
 - B. Please refer to attachment 6 for the pre and post-amendment comparison chart.
3. Revise "Procedures for Loans, Endorsements, and Guarantees"
 - A. Amendments based on the revised Regulations "Governing Loans, Endorsements and Guarantees by Publicly Traded Companies" promulgated by FSC on July 6, 2012 (Ref. 1010029874),
 - B. Please refer to attachment 7 for the pre and post-amendment comparison chart.
4. Revise "Rules Governing the Proceedings of Shareholder Meetings"
 - A. Revise certain sections of the article of the "Rules Governing the Proceedings of Shareholder Meetings" to strengthen the Company's corporate governance practice and to comply with the sample template "Rules of Procedure for Shareholders Meetings" suggested by the Taiwan Stock Exchange through official Letter No. 1020003468 issued on February 27, 2013.
 - B. Please refer to attachment 8 for the pre and post-amendment comparison chart.

5. Revise “Rules for Election of Directors and Supervisors”
 - A. Change of “Rules for Election of Directors and Supervisors” to “election of directors” to improve corporate governance and the establishment of the audit committee.
 - B. Revise articles to comply with sample template “Rules for Election of Directors and Supervisors” suggested by Taiwan Stock Exchange reference letter number 1020003468 issued on February 27, 2013.
 - C. Please refer to attachment 10 for the pre and post-amendment comparison chart.

Resolution:

Voting results: shares present at the time of voting: 1,414,527,016

Voting results*		% of shares presented at time of voting
Votes in favor:	1,274,692,237 (333,873,330)	90.11%
Votes against:	226,275 (226,275)	0.015%
Votes invalid or abstained:	128,847,354 (128,847,354)	9.1%

**Including votes casted electronically (number in brackets).*

RESOLVED, that the above proposal was approved as proposed.

ITEM 2: Discussion of the capital raising proposal by GDR issuance with an issue size no greater than 300 million shares

(Proposed by the Board of Directors)

Proposal: Discussion of the capital raising proposal by GDR issuance with an issue size no greater than 300 million shares

Explanation:

1. To enhance the Company’s financial condition for the future business development and investment plans in China, and to fund working capital, the Company requests approval from shareholders to authorize the Board of Directors to issue one time or at multiple times up to a maximum of 300,000,000 ordinary shares for the purpose of a global depository receipt (GDR) issuance based on market conditions.

- A. This issuance complies with Article 267 of the Company Act: 10% to 15% of the total amount of shares to be issued shall be allocated for subscription by company

employees. Except for the portion of shares allocated for the employees' subscription described above, it is proposed for the shareholders meeting to approve the rights to subscribe to the remaining shares shall be waived by the shareholders and such remaining shares should be offered to the public under Article 28-1 of the Securities and Exchange Act as the underlying shares of the global depositary shares to be sold in the DR Offering. Any new common shares not subscribed by employees of the Company shall be determined by the Chairman, as authorized by the Board of Directors, depending on the market needs, to be allocated as underlying shares of the global depositary shares or to be subscribed by the designated person(s).

- B. The issuance price of the GDR will be set in accordance with Article 9 of the “Self-regulatory rules of the Taiwan Securities Association underwriter members in respect to capital raising and securities issuance.” The issuance price shall not be lower than the closing price on the pricing date, or 90% of the simple average with one of the one, three, five trading days before the pricing date and the pricing date closing price after dividends. Considering the likelihood of share price volatility, and in accordance with international capital market practices, and with discussions with the underwriters. The price determination shall follow regulations from government authorities. Existing shareholders can purchase domestic ordinary shares at the price close to GDR price without taking exposure to currency exchange risk. Thus, the price determination above shall be considered reasonable.
 - C. The Company requests approval from the shareholders’ meeting to authorize the board to deal with the condition, quantity, price, amount, fund allocation and usage, underwriter selection, with changes to the above if necessary and other related matters regarding the issuance. In addition, we request approval to allow the board to authorize the chairman or chairman’s approved representative to sign any contracts related to the issuance and to conduct related matters regarding the issuance.
2. The issuance is limited to maximum 300,000,000 shares and must not dilute the current shareholders’ holding by more than 12.93%. The cash capital increase is primary for the expansion plan in China, to improve long term competitiveness and profitability, and to also strengthen the Company’s financial capital.
 3. The newly issued shares from the capital raising are entitled to the same obligations and rights as the original shares.

4. After the approval by the shareholders and the pertinent government agencies, the Board of Directors is authorized to carry out the matter regarding new share issuance in adherence to regulations.
5. This proposal has been approved by the Board of Directors and is hereby submitted to the Shareholders' Meeting for discussion.

Resolution:

Voting results: shares present at the time of voting: 1,414,527,016

Voting results*		% of shares presented at time of voting
Votes in favor:	1,273,907,129 (332,965,222)	90.05%
Votes against:	3,356,387 (3,356,387)	0.23%
Votes invalid or abstained:	126,625,350 (126,625,350)	8.95%

**Including votes casted electronically (number in brackets).*

RESOLVED, that the above proposal was approved as proposed.

ITEM 3: By-election of an additional independent director

(Proposed by the Board of Directors)

Proposal: By-election of an additional independent director

Explanation:

1. Pursuant to Article 192-1 of the Company Act and Article 19 of the Company's Articles of Incorporation, the election of an Independent Director complies with rules and regulations on corporate governance and independence requirements for publicly listed companies. The Company adopts the candidate nomination system for election of directors - The Board of Directors reviews the qualification of each candidate, nominates the candidates, and submits a roster of candidates, their profile, and professional experience to the shareholders' meeting for approval.
2. The Independent Director's term of office is from June 2013 to June 29, 2015.

3. After the Board meeting on May 13, 2013, the Board of Directors approved and nominated the candidate for Independent Director as follow:

Independent Director Name	Education	Professional experience	Shareholding in CPDC	Positions Held/Served at Other Companies	Relationship between CPDC & Other Companies/Boards where the Director Serves
Dr. Pan, Wen-Yen (潘文炎)	Department of Chemistry, National Taiwan Normal University	President, Chemical Society located in Taipei	0	CEO, Gintech Energy Corporation	No relationship
	PhD. Chemical Engineering, University of Wyoming	Chairman, Kuo Kuang Power Co., Ltd.		Chairman, CTCI Foundation	
		Chairman, President, CPC Corporation		Director, THSRC	
				Director, U-Ming Marine Transport Corp.	
				Chairman, Zhong-Wei Investment Company	

Resolution:

Elected Independent Director:

No.	ID No.	Name	Total Votes Elected*
1	J100xxxxxx	Dr. Pan, Wen-Yen (潘文炎)	1,228,223,235 (287,479,885)

**Including votes casted electronically (number in brackets).*

ITEM 4: Release of restriction on competitive activities of directors

(Proposed by the Board of Directors)

Proposal: Release of restriction on competitive activities of directors

Explanation:

1. According to Article 209 of the Company Act, if directors' activities for personal or others' interests are related to the Company's business scope, the directors shall explain the content of their activities and ask approval at the shareholders' meeting the essential contents of such conduct and obtain the shareholders' approval. The restriction on competitive activities for the directors is to protect company confidentiality. The Company proposes to release the restriction preventing the Company's directors from performing work from their positions in other companies while enabling the Company to benefit from the expertise of the directors.
2. Representatives of legal entities may request to be released from competitive activities due to business reasons.

3. The Company proposes the release of restrictions on competitive activities on the following directors:

Title	Name	Positions Held/Served at Other Companies	Relationship between CPDC & Other Companies/Boards where the Director Serves
Director	The Core Pacific Co., Ltd. Representative : Ching-Jing Sheen 代表人：沈慶京	Chairman, Kaohsiung Monomer Company Chairman, Taiwan Chlorine industries Ltd Chairman, Chemax International Corp. Chairman, Weihua Trading holdings Co. Ltd Chairman, WeChang Trading holdings Co. Ltd (Shanghai) Chairman, BES Engineering Corporation	40% owned affiliate 40% owned affiliate 100% owned subsidiary 100% owned subsidiary of Chemax International Corp. 100% owned subsidiary of Chemax International Corp. 7.39% owned affiliate
Director	BES Machinery Co. Ltd. Representative : Jun-Nan Bai, 代表人：白俊男	Chairman, Core Pacific City Co., Ltd Chairman, BES Engineering Corporation Independent Director, Concord Securities Co. Ltd Independent Director, Megaforce Company Limited	7.38% owned affiliate 7.39% owned affiliate No ownership relationship No ownership relationship
Independent Director	Steve Ruey-long Chen 陳瑞隆	Independent Director, E-Ton Solar Independent Director, Formosa Chemicals and Fiber Corp. Director, Sinocon Industrial Standards Foundation Director, HannStar Board Corp Director, Asia Cement Corp. Director, Bank of Panhin Legal Representative, Zentel Electronic Corp. Legal Representative, Powerchip Technology Corp. Legal Director Representative, Power Gate optical Inc.	No ownership relationship
Independent Director	Yun-Peng Chu 朱雲鵬	Independent Director, U-Ming Marine Transport Corp. Independent Director, Nan Ya Plastic Corp. Independent Director, ADIM Corp.	No ownership relationship
Director	Jen Huei Enterprise Co. Ltd. Representative : Ko-Ming Lin 代表人：林克銘	Director, Kaohsiung Monomer Company Director, Taiwan Chlorine industries Ltd. Director, Tsou Seen Chemical Industries Corporation Director, Chemax International Corp. Chairman, Praxair Chemax Inc. Director, Weihua Trade holdings Corp. Chairman, Shi-Fu Co. Ltd. Chairman, Lian Hua Development Co. Ltd.	40% owned affiliate 40% owned affiliate 100% owned subsidiary 100% owned subsidiary 49% owned affiliate 100% owned subsidiary of Chemax International Corp. 100% owned subsidiary 100% owned subsidiary
Independent Director	Pan Wen-Yen 潘文炎	CEO, Gintech Energy Corporation Chairman, CTCI Foundation Director, THSRC Director, U-Ming Marine Transport Corp. Chairman, Zhong-Wei Investment Company	No ownership relationship

Resolution:

Voting results: shares present at the time of voting: 1,414,527,016

Voting results*		% of shares presented at time of voting
Votes in favor:	1,268,927,526 (327,985,619)	89.69%
Votes against:	8,293,358 (8,293,358)	0.58%
Votes invalid or abstained:	126,667,982 (126,667,982)	8.95%

*Including votes casted electronically (number in brackets).

RESOLVED, that the above proposal was approved as proposed.

VII. Extemporary Motion: None

VIII. Adjournment:

The Chairman declared the meeting adjourned at 11:06 a.m., June 28, 2013.