

Stock Code: 1309

Taita Chemical Company, Ltd.

2024 Annual Report

Company Website: <https://www.ttc.com.tw>

Annual Report Query Website: <https://mops.twse.com.tw>

Publication Date: March 31, 2025

I. Spokesperson and Acting Spokesperson:

Spokesperson

Name: Huang, Chun-Hao

Title: Associate Manager

Telephone: (02) 8751-6888 ext. 3278

Private Line: (02) 2650-3278

E-mail: chunhao@usig.com

Acting Spokesperson

Name: Chen, Hsi-Ming

Title: Deputy Manager

Telephone: (02) 8751-6888 ext. 3271

Private Line: (02)2650-3271

E-mail: justinchen@usig.com

II. Address and Telephone Number of Head Office, Branch Offices and Plants

Title	Address	Telephone
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Southern Taiwan Office	No. 3, Jianji Road, Cianjhen Dist., Kaohsiung City, Taiwan	(07)821-2128
Qianzhen Plant	No. 3, Jianji Road, Cianjhen Dist., Kaohsiung City, Taiwan	(07)821-9521
Linyuan Plant	No. 5, Gongye 1st Road, Linyuan Industrial Park, Kaohsiung City, Taiwan	(07)641-3201
Kaohsiung Branch Office	No. 5, Gongye 1st Road, Linyuan Industrial Park, Kaohsiung City, Taiwan	(07)641-3201
Toufen Plant	No. 571, Minzu Road, Toufen Township, Miaoli County, Taiwan	(037)627-700

III. Stock Transfer Agent:

Name: Taita Chemical Company, Ltd., Stock Affairs Department

Address: 6F, No. 17, Lane 120, Section 1, Neihu Road, Neihu District, 114 Taipei City

Joint Stock Affairs Website: <https://www.usig.com/USIGStockHome.aspx>

Telephone: (02) 2650-3773 (main line)

IV. CPAs Auditing the Financial Statements in the Most Recent Fiscal Year

Name: CPA Chiu, Cheng-Chun and CPA Huang, Hsiu-Chun

Accounting Firm: Deloitte Taiwan

Address: 20th Floor, No.100, Songren Road, Shinyi District, Taipei City, Taiwan

Website: <https://www2.deloitte.com/tw>

Telephone: (02) 2725-9988

V. Overseas Securities Trading Venue and Method of Overseas Securities Information Query: None

VI. Company Website: <https://www.ttc.com.tw>



Taita Chemical Company, Ltd.

Contents

	Pages
Chapter 1. Letter to Shareholders	1
I. 2024 Business Results:.....	1
II. 2025 Business Plan:	2
Chapter 2. Corporate Governance Report	4
I. Directors, General Manager, Deputy General Manager, Senior Managers, and Managerial Officers of Various Departments or Branches.....	4
II. Remuneration of Directors, Supervisors, General Manager, and Deputy General Managers	17
III. Operations of Corporate Governance	30
IV. CPA fee Information	143
V. Information on Replacement of CPA	144
VI. The Company's Directors, General Manager, Managerial Officer in Charge of Finance or Accounting Who Has Served in a CPA's Accounting Firm or Its Affiliated Companies in the Most Recent Fiscal Year Shall Disclose Their Names, Positions and the Period of Employment in CPA's Accounting Firm or Its Affiliated Companies: None.....	145
VII. Equity Transfer or Changes in Equity Pledged by the Company's Directors, Managerial Officers or Shareholders with Shareholding Percentage Exceeding Ten (10) Percent in the Most Recent Fiscal Year up to the Publication Date of this Annual Report	145
VIII. Relationship Information, if among the Company's Top 10 Shareholders any one is a Related Party, Spouse or a Relative within the Second Degree of Kinship	148
IX. Number of Shares Held by the Company, Its Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Investment Companies in the Same Investment Companies, and the Combined Calculation of Shareholding Percentages	150
Chapter 3. Funding Status	151
I. Capital and Shares.....	151
II. Issuance of Corporate Bonds	157
III. Issuance of Preferred Shares: None.	157
IV. Issuance of Global Depository Receipts: None.	157
V. Issuance of employees' stock option certificate and new restricted employee shares: None	157

	VI. Status of New Share Issuance in Connection with Mergers and Acquisitions: None.....	157
	VII. Implementation of Capital Utilization Plan	157
Chapter 4.	Operational Overview.....	158
	I. Business Activities.....	158
	II. Overview of Market, Production and Sales:	167
	III. Information on Employees.....	181
	IV. Expenditure Related to Environmental Protection.....	182
	V. Labor Relations	193
	VI. Information Security Management	202
	VII. Important Contracts.....	208
Chapter 5.	Review and Analysis of Financial Position and Financial Performance and Risk Matters	212
	I. Financial Position.....	212
	II. Financial Performance	213
	III. Cash flows.....	214
	IV. Impact of Major Capital Expenditures on Financial Business in the Most Recent Year	215
	V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year	215
	VI. Risk Analysis and Assessment	215
	VII. Other Material Matters.....	235
Chapter 6.	Special Notes	237
	I. Information on affiliates:.....	237
	II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.	237
	III. Other Supplementary Information: None.	237
	IV. Occurrence of Any Events that have Significant Impact on the Shareholders' Rights or Securities Prices as Stated in Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act during the Most Recent Years and up to the Date of Publication of the Annual Report: None.	237



Chapter 1. Letter to Shareholders

Dear Shareholders,

For the fiscal year 2024, the Company registered a consolidated loss before income tax of NT\$242 million, and a net loss of NT\$223 million, with loss per share of NT\$0.56. Below is the 2024 business report and the 2025 business plan:

I. 2024 Business Results:

(I) Results of Business Plan Implementation

In 2024, the Company's consolidated net operating revenue reached NT\$18.623 billion, marking an increase of NT\$3.417 billion compared to 2023, achieving a budget fulfillment rate of 108%. The consolidated net operating loss was NT\$361 million, which represents a reduction in losses by NT\$103 million compared to 2023.

1. Production and Sales of Petrochemical Products:

The consolidated revenues of ABS/PS were NT\$18.075 billion, with an achievement rate of 108%. The sales volumes for the Linyuan and Qianzhen plants were 102,000 tons and 154,000 tons, respectively, with budget achievement rates of 94% and 97%. The EPS sales volume for the Zhongshan Plant in mainland China was 162,000 tons, achieving a budget fulfillment rate of 106%. The total operating loss for petrochemical products amounted to NT\$415 million.

2. Production and Sales of Glasswool and Cubic Printing Products:

The sales volume of glasswool products, including imported rock wool, reached 12,521 tons, with revenue amounting to NT\$548 million and a budget achievement rate of 106%. The annual profit was NT\$54 million.

Non-operating income primarily consisted of foreign exchange gains, net rental income, interest income, and dividend income, with a total profit of NT\$119 million.

(II) Research and Development:

Technology or product developed

1. Acrylonitrile-butadiene-styrene (ABS)

1.1 Optimized the quality of ABS to eliminate phenol residues, reducing discoloration during storage.

1.2 Completed the establishment of a pilot plant for polybutadiene latex polymerization.

1.3 Achieved TAIECOR recycled content certification under ISO-14021 for both process and product.

2. Expandable polystyrene (EPS) polymer

Optimized the EPS formulation, enhancing surface hardness by 45, improving storage performance efficiency by 10%, and increasing molding efficiency by 15%.

II. 2025 Business Plan:

(I) Operational Objectives and Production & Sales Strategies

Looking ahead to operations in 2025, petrochemical product sales are projected to reach approximately 422 thousand tons, while sales of glasswool products are estimated at 12 thousand tons. This year's key operational goals are as follows:

It is essential to continuously monitor the impact of geopolitical developments, U.S. tariff policies, Federal Reserve interest rate decisions, and fluctuations in shipping costs on the market while maintaining a cautious response. Additionally, with China's ongoing expansion of ABS/PS/EPS production capacity, market competition continues to intensify. The key focus areas for the year include not only maximizing production and sales but also optimizing the customer portfolio and driving growth in markets outside of mainland China and Hong Kong. Expanding the breadth of sales regions will help reduce reliance on a single overseas market and achieve full production and sales capacity. Meanwhile, the Company will continue to manage raw material and finished



product inventory levels to mitigate the impact of market fluctuations on operational performance. Furthermore, from the perspectives of technology, processes, markets, applications, and products, the Company will evaluate and plan improvements in process efficiency and the development of new product applications. Under the premise of maximizing production and sales, these efforts aim to elevate business operations to the next level.

In terms of sustainable development, the Company upholds the core philosophy of “create sustainable value for a sustainable society.” We actively implement ESG strategies to address environmental and social challenges and have obtained the SGS Green Mark – PIR ISO 14021 Certification. This reflects our strong commitment to reducing industrial waste at its source and collaborating with the entire supply chain—from suppliers to consumers—to advance sustainability together.

(II) Research and Development

1. Study on the control of polybutadiene latex particle size and concentration.
2. Development of ESG-friendly products – TAIECOR product applications.
3. Certification of GPPS resin with low residual monomer water content.
4. Development of eco-friendly flame-retardant EPS products.
5. Continuous enhancement of EPS product performance.

By enhancing the performance of each product line, the Company expects to achieve its annual operating objectives to reward our shareholders’ support.

I would like to wish good health and all the best for all of our shareholders.

Chairman of the Board: Quintin Wu

General Manager: Wu, Pei-Chi

Chapter 2. Corporate Governance Report

I. Directors, General Manager, Deputy General Manager, Senior Managers, and Managerial Officers of Various Departments or Branches

(I) Board Members

1. Board member information

March 30, 2025

Title (Note 1)	Nationality/ Place of Registration	Name	Gender and Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares held at the time of election		Current shareholding		Shares currently held by spouse and minor children		Shares Held in the Name of Other Persons		Major Work Experience and Academic Qualifications (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors Who Are Spouses or Relatives within the Second Degree of Kinship			Notes
							Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
Chairman and Chief Executive Officer	Republic of China	Union Polymer International Investment Corporation	—	2024.5.31	3 years	2003.6.3	146,263,260	36.79%	146,263,260	36.79%	—	—	0	0%	Chairman of USI	Note 6	None			Note 5
	Republic of China	Representative: Quintin Wu	Male 71–75 years old			1997.3.1	—	—	0	0%	—	—	0	0%						
Director	Republic of China	USIFE Investment Co., Ltd.	—	2024.5.31	3 years	2021.7.26	1,415,368	0.36%	1,415,368	0.36%	—	—	0	0%	Note 7	Director of USI Education Foundation	None			
	Republic of China	Representative: Ma, I-Kung	Female 76–80 years old			2015.6.9	—	—	0	0%	0	0%	0	0%						
Director and General Manager	Republic of China	Union Polymer International Investment Corporation	—	2024.5.31	3 years	2003.6.3	146,263,260	36.79%	146,263,260	36.79%	—	—	0	0%	Note 8	Note 9	None			
	Republic of China	Representative: Wu, Pei-Chi	Male 56–60 years old			2018.6.22	—	—	0	0%	0	0%	0	0%						
Director	Republic of China	USIFE Investment Co., Ltd.	—	2024.5.31	3 years	2021.7.26	1,415,368	0.36%	1,415,368	0.36%	—	—	0	0%	Master of Business Administration , University of Chicago (U.S.A.), and General Manager of Taita Chemical	None	None			
	Republic of China	Representative: Ying, Bao-Luo	Male 71–75 years old			2008.11.1	—	—	32,091	0.01%	0	0%	0	0%						

Title (Note 1)	Nationality/ Place of Registration	Name	Gender and Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares held at the time of election		Current shareholding		Shares currently held by spouse and minor children		Shares Held in the Name of Other Persons		Major Work Experience and Academic Qualifications (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors Who Are Spouses or Relatives within the Second Degree of Kinship			Notes
							Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
Director	Republic of China	Taiwan Union International Investment Corporation	—	2024.5.31	3 years	2018.6.22	8,854,995	2.23%	8,854,995	2.23%	—	—	0	0%	Master's Degree in Chemistry, National Tsing Hua University; Master of Business Administration in Management of National Sun Yat-sen University; Spokesperson and Vice President of CPC Corporation, Taiwan	Note 10	None			
	Republic of China	Representative: Pi, Shu-Chien	Female 61-65 years old			2024.3.1	—	—	0	0%	0	0%	0	0%						
Independent Director	Republic of China	Chen, Tien- Wen	Male 66-70 years old	2024.5.31	3 years	2015.6.9	0	0%	0	0%	—	—	0	0%	Note 11	Note 12	None			
Independent Director	Republic of China	Wei, Yung-Tu	Male 76-80 years old	2024.5.31	3 years	2021.7.26	0	0%	0	0%	0	0%	0	0%	Master of Enterprise from George University, President of Deloitte Taiwan, and Chairman of United Way of Taiwan.	Note 13	None			
Independent Director	Republic of China	Li, Kuo-Hsiang	Male 66-70 years old	2024.5.31	3 years	2021.7.26	0	0%	0	0%	0	0%	0	0%	Note 14	Note 15	None			
Independent Director	Republic of China	Chen, Piao- Chun	Male 76-80 years old	2024.5.31	3 years	2024.5.31	0	0%	0	0%	0	0%	0	0%	Note 16	Chairman: Elitech Corporation Independent Director: Acme	None			

Note 1: For corporate shareholders, their names and representatives shall be stated (for representatives, the names of corporate shareholders they represent shall be indicated respectively), and filled in Table 1.

Note 2: Please indicate the actual age, which can be expressed in a range, such as 41-50 years old or 51-60 years old.



- Note 3: Fill in the date on which he/she served as the Company's director or supervisor for the first time; and any disruption of term of office should be included in a separate note.
- Note 4: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.
- Note 5: Where the chairperson of the Board of Directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the seats for independent directors, or more than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers). The Chairman of the Company also serves as the CEO based on the consideration for the overall operation. With the Chairman's excellent business vision, he participates in the Company's operations in person to implement business decisions and improve the operating efficiency. The Company now has four independent directors. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte Taiwan. The Company has also established an Audit Committee, a Remuneration Committee, an ESG Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.
- Note 6: Chairman: USI, CGPC, APC, Acme Electronics Corporation, Union Polymer, USI Optronics Corporation, Swanson Plastic Corporation, Swanson Technologies Corporation, Chong Loong Trading, USI Investment, CGPC Polymer Corporation, APC Investment, TUVV, USI Management Consulting, TUVV, Acme (Cayman), USI Educational Foundation, Fujian Gulei Petrochemical Company.
 Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Curtana, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America and A.S. Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Cypress Epoch, Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments and PT. Swanson Plastics Indonesia, Xuanju, USI Zhangzhou, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, CTCI Group, Acme Advanced Materials, USI Xiamen, and Swanson Technologies Corporation (Kunshan)
 General Manager: Union Polymer, USI Management Consulting, Dynamic Ever Investments, Ever Victory Global
 Chief Executive Officer: USI, APC, CGPC, TTC, Acme Electronics Corporation, and USI Optronics Corporation
 Executive Director: Chinese National Federation of Industries
- Note 7: Master of City and Regional Planning, Rutgers, the State University of New Jersey (U.S.A.); member of the Third and Fourth Session of the Control Yuan, Taiwan (R.O.C.); member of the Council of Cultural Affairs, Executive Yuan, Taiwan (R.O.C.); member of the Environmental Impact Assessment Committee under the Environmental Protection Administration, Taiwan (R.O.C.); and Distinguished Professor, Department of Landscape Architecture, Chung Hua University; an independent director of Taita Chemical.
- Note 8: General Manager of Thermoset Materials Division in Asia Pacific, and Director of Basic Plastic Sales in Greater China, Dow Chemical; Sales Engineer, Taiwan Branch, ESSO



- Note 9: Chairman: Xuanju, TTC(Zhongshan), TTC (Tianjin),USI Trading (Shanghai) Co., Ltd., Zhangzhou Taita Chemical Co., Ltd., Zhangzhou Taiju, Amoy Taiju and Zhangzhou Dynamic Ever Investments Limited.
 Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., USI, APC, CGPC, CGTD, USIFE Investment, Asia Polymer Investment Corporation, Chong Loong Trading Co. Ltd., Swanson Plastics Corporation, Swanson Technologies Corporation, USI Education Foundation, Taiwan United Venture Capital Corporation, Union Polymer International Investment Corporation, USI Management Consulting, Acme Electronics Corporation (Kunshan), Fujian Gulei Petrochemical, USI Optronics Corporation, and USI (Hong Kong), Swanson Technologies Corporation (Kunshan)
 General Manager: USI, TTC, Asia Polymer Corporation, Chong Loong Trading Co. Ltd. and USI Trading (Shanghai) Co., Ltd.
- Note 10: Chairman: Zhenjiang UPC Chemicals, Zhongshan UPC Chemicals, Zhuhai UPC Chemicals, Taizhou UPC Chemicals, Taizhou UPC Warehousing, Taizhou UPC Plastic, Jiangsu UPC Logistics, Guangdong UPC Logistics, PanjinUPCChemicals, Panjin UPC Warehousing, Panjin UPC Materials, Nanchong UPC Chemicals, Wei Chen Investment Corporation
 Executive Director: Zhenjiang Lianju
 Directors: APC, TTC, CGTD, UPC Technology Corporation, Lien Cheng Venture Capital, Harbinger VII Venture Capital, LindeLH Industrial Gases, UPC Chemicals (Malaysia) Sdn. Bhd., UPCM Trading (Thailand) Company Limited, UPCM Trading (Vietnam) Company Limited, APC (BVI) Holding Co., Ltd., Taita (BVI) Holding Co., Ltd., Constant Holdings Ltd., Natural Holdings Co., Ltd., Star Bright Traders Ltd., Goldendust Co., Ltd., Logical Path Limited, Glory Ace International Inc., Pure Fantasy Ltd., Magic Props Investment Ltd., Union Hong Kong Petrochemicals Company Limited, Charmon International Limited, Modern Vantage Limited.
 General Manager: UPC Technology Corporation
- Note 11: Master of Business Administration, University of Southern California (U.S.A.); Sales Manager, JP Morgan Chase Bank (U.S.A.); Vice President and Taiwan representative, Merrill Lynch (U.S.A.); founder and Chairman, affiliated companies (Capital Investment Management Corporation, Capital Investment Trust Corporation and Capital Futures Corporation) of the Capital Group (Taiwan); Director, Cathay Financial Holding Co. Ltd.; Director, The Third Wednesday Association
- Note 12: Chairman: Chia Shih Construction Co., Ltd
 Independent Director: Taiwan Secom
 Consultant: Chinese National Association of Industry and Commerce, Taiwan
- Note 13: Chairman: YCSY Co., Ltd.
 Directors: MiTAC Holdings Corporation, IRON FORCE INDUSTRIAL CO., LTD.
 Independent Directors: Cathay Financial Holdings, Cathay United Bank, Cathay General Securities, Cathay Securities Corporation and Far Eastern Department Stores Ltd.
- Note 14: Master of Business Administration from the University of Chicago, Bachelor of Electrical Engineering from National Taiwan University, Chairman of the 2nd Taipei Cosmetics Industry Association, Chairman of the 11th and 12th Taiwan Cosmetics Industry Association, Supervisor and Director of the 6th to 12th Chinese National Federation of Industries.
- Note 15: Chairman: Taiwan Province Shiseido, FLELIS INTERNATIONAL INC., and Huazizhuangye.
 Council Member: Chinese National Federation of Industries
- Note 16: Department of Electrical Engineering at National Cheng Kung University, General Manager of Schmidt Scientific Taiwan Ltd., General Manager of the Micro Systems Business Group at Walsin Lihwa Corporation, Special Assistant to the Chairman and General Manager of the Electronic Business Group at USI, General Manager of Tailyn Technologies, Inc.

2. Major shareholders of corporate shareholders

March 30, 2025

Name of Institutional Shareholders (Note 1)	Major shareholders of corporate shareholders (Note 2)	Shareholding Ratio
Union Polymer International Investment Corporation	USI Corporation	100.00%
USIFE Investment Co., Ltd.	USI Corporation	100.00%
Taiwan Union International Investment Corporation	UPC Technology Corporation	100.00%

Note 1: For directors and supervisors who are the representatives of corporate shareholders, the names of the corporate shareholders shall be disclosed.

Note 2: Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the major shareholder is a corporate shareholder, the shareholder's name shall be filled in Table 2 below.

Note 3: Where an institutional shareholder is not organized as a company, the shareholder name and shareholding ratio required above shall be the name of the funder or donor (which can be verified through the Judicial Yuan's public announcements), along with their contribution or donation ratios. If a donor has passed away, the annotation 'deceased' should be added.

3. Main shareholders of institutional shareholders

March 30, 2025

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)	Shareholding Ratio
USI Corporation	Shing Lee Enterprise (Hong Kong) Limited	14.62%
	Wholegainer Company Limited' investment account is under custody of Fubon Securities Co., Ltd.	9.25%
	Asia Polymer Corporation	8.53%
	Fubon Life Insurance Co., Ltd.	4.49%
	Total Success Investment Limited	2.04%
	Lin, Hua-Hsin	1.75%
	Yueh Hsing Hua Investment Co., Ltd.	1.73%
	Yu, Wen-Hsuan	1.41%
	Yu, Wen-Tsung	1.41%
	Yu, Wen-Yu	1.41%
UPC Technology Corporation	Lien Hwa Industrial Holdings Corporation	31.05%
	Synnex Technology International Corporation	5.04%
	Mei An Investment Co., Ltd.	1.80%
	Yi Yuan Investment Co., Ltd.	1.57%
	Liberty Stationery Corp.	1.51%
	Tsu Fung Investment Corp.	1.28%
	MiTAC international Corp.	1.18%
	Tong Da Investment Corp.	1.06%
	Yi Feng Investment Co., Ltd.	0.96%
	J.P. Morgan in custody for Vanguard Total International Stock Index Fund,	0.66%



- Note 1: If the major shareholder of corporate shareholders as shown in Table 1 is a juristic person, the name of the juristic person shall be filled.
- Note 2: Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages.
- Note 3: Where an institutional shareholder is not organized as a company, the shareholder name and shareholding ratio required above shall be the name of the funder or donor (which can be verified through the Judicial Yuan's public announcements), along with their contribution or donation ratios. If a donor has passed away, the annotation 'deceased' should be added.

4. Director Information

(1) Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors:

Criteria Name	Professional Qualification and Experience	Status of Independence	Number of Companies in which the Director or Supervisor also serves concurrently as an Independent Director
Quintin Wu	<p>(1) Now the Chairman and CEO of USI Corporation and its affiliated companies, having professional experience in corporate management and direct supervision of financial supervisor, accounting supervisor, etc.</p> <p>(2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</p>	N/A	N/A
Ma, I-Kung	<p>(1) Formerly a member of the Supervisory Committee and currently a director of the Educational Foundation, with expertise in corporate governance and corporate sustainable development.</p> <p>(2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</p>		
Wu, Pei-Chi	<p>(1) Currently serves as the general manager of the Company, USI, and APC, with experience in direct supervision of financial supervisor and accounting supervisor.</p> <p>(2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</p>		

Criteria Name	Professional Qualification and Experience	Status of Independence	Number of Companies in which the Director or Supervisor also serves concurrently as an Independent Director
Ying, Bao-Luo	(1) Formerly the General Manager of the Company and foreign companies, experienced in international enterprise management. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		
Pi, Shu-Chien	(1) Currently serves as the general manager of UPC Technology Corporation and used to be the deputy general manager of CPC Corporation, Taiwan, with professional fields of chemical industry. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		
Chen, Tien-Wen	(1) Formerly the Chairman of affiliates of the Capital Group and now the Chairman of Chia Shih Construction Co., Ltd., with expertise in corporate operations management. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	1
Wei, Yung-Tu	(1) Formerly the President of Deloitte Taiwan, CPA, with professional experience in accounting and finance. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		3 (Note)
Li, Kuo-Hsiang	(1) Chairman of Taiwan Shiseido, experienced in business operation and management. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		0



Criteria Name	Professional Qualification and Experience	Status of Independence	Number of Companies in which the Director or Supervisor also serves concurrently as an Independent Director
Chen, Piao-Chun	<p>(1) Currently serves as Chairman of Elitech Corporation and possesses expertise in corporate operations and management.</p> <p>(2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</p>	<p>(1) Mr. Chen Piao-Chun currently serves as an independent director for both Taita Chemical Co., Ltd. (“Taita”) and Acme Electronics Corporation (“Acme”). Since Taita and Acme are subsidiaries of the same parent company, USI Corporation, the provisions of Article 3, Paragraph 2 of the “Regulations Governing the Establishment and Compliance of Independent Directors in Publicly Issued Companies” allow independent directors to concurrently serve in multiple positions. Therefore, the stipulations in Article 3, Paragraph 1, Subparagraphs 2, 5 to 7 do not apply.</p>	1

Criteria Name	Professional Qualification and Experience	Status of Independence	Number of Companies in which the Director or Supervisor also serves concurrently as an Independent Director
		(2) After evaluating the relationship between Taita and Acme, it has been determined that they do not meet the definition of a “specific company” as defined in Article 3, Section 4 of the “Regulations Governing the Establishment of Independent Directors and Compliance Matters for Publicly Issued Companies” (which would negate independence). Furthermore, there are no other circumstances listed in Article 3, Section 2, Item 8.	

Note: Independent Director Wei, Yung-Tu is also an independent director of four other public companies, three of which are Cathay Financial Holdings and its 100% owned Cathay United Bank and Cathay Securities Corporation. According to Article 4 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to Be Observed, if the public company concurrently holds all the shares of a financial holding company, and if it holds more than one position, the number of concurrent positions will be counted as the number of concurrent positions. Therefore, the rule that the number of concurrent positions should not exceed three is not violated when calculated according to this regulation.



(2) Diversity and Independence of the Board of Directors

(2.1) Diversity of the Board of Directors:

According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- I. Ability to make sound business judgment.
- II. Ability to conduct accounting and financial analysis.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An understanding of international markets.
- VII. Leadership skills.
- VIII. Decision-making ability.

In addition to the eight competencies listed above, the Company added legal and environmental capabilities to the list in light of growing global attention on corporate governance issues and environmental protection, as well as the pressing need for diversified professional skillsets in the Board. At present, existing members of the Board of Directors possess the knowledge, skills, and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, laws and environmental protection.

The current Board of Directors was appointed on May 31, 2024, consisting of 9 members, including 4 independent directors and 5 representatives of legal entities.

Currently, the Board of Directors of the Company has two female directors, which does not meet the one-third requirement of the total seats. The primary reason for this is that, due to the characteristics of our industry, there is a scarcity of women with substantial industry experience, making it difficult to achieve the one-third standard for board seats in the short term. In the future, additional female director positions that meet regulatory standards will be established in accordance with legal provisions. Furthermore, when selecting candidates for the Board of Directors, various considerations will be taken into account to identify suitable talents from different fields,

thereby achieving the goal of board diversity. Additionally, in response to the growing global emphasis on corporate sustainability, the Company plans to increase the number of board members from relevant fields. This initiative aims to enhance the Company's sustainable competitiveness and further improve the functionality of the Board of Directors.

(2.2) Independence of the Board of Directors:

Although Mr. Chen Tien-Wen, the independent director of the Company, has served three consecutive terms as an independent director, he possesses extensive practical experience and expertise in the fields of finance, corporate management, and sustainable development. His contributions are highly beneficial to the Company's financial planning, risk management, and energy conservation efforts. The members of the Board of Directors of the Company are all Taiwanese citizens, including 4 independent directors, accounting for 44%; 2 directors with employee status, accounting for 22%. The age distribution of the directors is one director aged 51-60, two directors aged 61-70, and six directors aged 71-80. None of the directors of the Company have a spouse or relation within the second degree of kinship.

(II) General Manager, Deputy General Managers, Associate Managers, and Heads of Departments and Branches

March 30, 2025 Unit: Shares

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Number of shares held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Other Persons		Major Work Experience and Academic Qualifications (Note 2)	Concurrent positions held in other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Notes
					Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
Chief Executive Officer	Republic of China	Quintin Wu	Male	2009.9.1	0	0%	—	—	0	0%	Chairman of USI	Note 4	None	None	None	Note 3
General Manager	Republic of China	Wu, Pei- Chi	Male	2017.12.22	0	0%	0	0%	0	0%	Note 5	Note 6	None	None	None	
Senior Manager	Republic of China	Huang, Chun- Hao	Male	2023.6.1	0	0%	0	0%	0	0%	Master's degree, National Taiwan University of Science and Technology	Taita Chemical (Zhongshan) Director and General Manager Taita Chemical (Tianjin) Director and General Manager Zhangzhou Taita Chemical Co., Ltd. General Manager	None	None	None	
Corporate Governance Officer	Republic of China	Chen, Yung- Chih	Male	2019.5.9	0	0%	0	0%	0	0%	Note 7	Note 8	None	None	None	—
Director of Cianjhen Plant	Republic of China	Wang, Wen- Yao	Male	2017.12.1	0	0%	0	0%	0	0%	Bachelor's degree, Tamkang University	None	None	None	None	—
Head of the Toufen Plant	Republic of China	Liao, Kuo- Yun	Male	2024.10.1	0	0%	0	0%	0	0%	Bachelor's degree, Taipei Institute of Technology	None	None	None	None	—
Director of Linyuan Plant	Republic of China	Tsai, Chung- Ju	Male	2023.10.1	0	0%	0	0%	0	0%	Master's Degree, Chung Yuan Christian University	None	None	None	None	—
Head of Accounting Department	Republic of China	Li, Chun- Yao	Female	2024.11.6	0	0%	0	0%	0	0%	MBA, National Taipei University	None	None	None	None	
Head of Finance Department	Republic of China	Luo, Fei-Yun	Female	2024.8.6	0	0%	0	0%	0	0%	Master of Finance, National Chung Cheng University	None	None	None	None	

Note 1: Information regarding General Manager, Deputy General Manager, senior managers, managerial officers of departments and branches shall be included, whereas information regarding positions equivalent to General Manager, Deputy General Manager or senior managers shall be disclosed regardless of job title.



- Note 2: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.
- Note 3: If the General Manager or personnel with equivalent position (chief officer) and the Chairman are the same person, spouses or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the directors not serving as employees or officers concurrently) shall be addressed.
The Chairman of the Company also serves as the CEO based on the consideration for the overall operation. With the Chairman's excellent business vision, he participates in the Company's operations in person to implement business decisions and improve the operating efficiency. The Company now has four independent directors. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte Taiwan. The Company has also established an Audit Committee, a Remuneration Committee, an ESG Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.
- Note 4: Chairman: USI, CGPC, APC, Acme Electronics Corporation, Union Polymer, USI Optronics Corporation, Swanson Plastic Corporation, Swanson Technologies Corporation, Chong Loong Trading, USI Investment, CGPC Polymer Corporation, APC Investment, TUVV, USI Management Consulting, TUVV, Acme (Cayman), USI Educational Foundation, Fujian Gulei Petrochemical Company.
Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Curtana, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America and A.S. Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Cypress Epoch, Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments and PT. Swanson Plastics Indonesia, Xuanju, USI Zhangzhou, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, CTCI Group, Acme Advanced Materials, USI Xiamen, and Swanson Technologies Corporation (Kunshan)
General Manager: Union Polymer, USI Management Consulting, Dynamic Ever Investments, Ever Victory Global
Chief Executive Officer: USI, APC, CGPC, Acme Electronics Corporation, and USI Optronics Corporation
Executive Director: Chinese National Federation of Industries
- Note 5: General Manager of Thermoset Materials Division in Asia Pacific, and Director of Basic Plastic Sales in Greater China, Dow Chemical; Sales Engineer, Taiwan Branch, ESSO
- Note 6: Chairman: Xuanju, TTC(Zhongshan), TTC (Tianjin), USI Trading (Shanghai) Co., Ltd., Zhangzhou Taita Chemical Co., Ltd., Zhangzhou Taiju, Amoy Taiju and Zhangzhou Dynamic Ever Investments Limited.
Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., USI, APC, CGPC, CGTD, USIFE Investment, Asia Polymer Investment Corporation, Chong Loong Trading Co. Ltd., Swanson Plastics Corporation, Swanson Technologies Corporation, USI Education Foundation, Taiwan United Venture Capital Corporation, Union Polymer International Investment Corporation, USI Management Consulting, Acme Electronics Corporation (Kunshan), Fujian Gulei Petrochemical, USI Optronics Corporation, and USI (Hong Kong), Swanson Technologies Corporation (Kunshan)
General Manager: USI, APC, Chong Loong Trading Co. Ltd., and USI Trading (Shanghai) Co., Ltd.
- Note 7: PhD in Law, University of Munich, Germany; Lawyer, Winkler Partners, Arbitrator of Chinese Arbitration Association, Taipei.
- Note 8: Independent Director: Man Zai Industrial Co., Ltd.
Directors: Continental General Plastics (Zhongshan) Co. Ltd., Acme Electronics (Kunshan) Co., Ltd., Acme Electronics Corporation (Guangzhou), TTC (Zhongshan), TTC (Tianjin), Zhangzhou Taita Chemical Co., Ltd. and Zhangzhou Dynamic Ever Property Management Co., Ltd.

Supervisor: Union Polymer Int'l Investment Corp., Zhangzhou Taiju Trading Co., Ltd., Chong Loong Trading Co., Ltd., USI Green Energy Corporation, USI Optronics Corporation, Swanson Plastics Corp., Swanson Plastics (kunshan) Co., Ltd., Swanson Plastics (Tianjin) Co., Ltd., ASK-Swanson (kunshan) Co., Ltd., USIFE Investment Co., Ltd., APC Investment Corporation, Taiwan United Venture Capital Corp., Taiwan United Venture Management Corporation, Double Winner Co., Ltd., Global Green Technology Corporation, Taiwan VCm Corporation, INOMA Corporation (in liquidation), Cerebra Technologies Co., Ltd. and FiduciaEdge Technologies Co., Ltd.

Corporate governance officer: USI, APC, CGPC, Acme Electronics Corporation.

- (III) Where the Chairman, General Manager, or individual with equivalent roles are the same individual, spouses, or relatives within the first degree of kinship, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures:

The Chairman of the Company also serves as the CEO based on the consideration for the overall operation. With the Chairman's excellent business vision, he participates in the Company's operations in person to implement business decisions and improve the operating efficiency.

The Company now has four independent directors. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte Taiwan. The Company has also established an Audit Committee, a Remuneration Committee, an ESG Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

II. Remuneration of Directors, Supervisors, General Manager, and Deputy General Managers

If any of the following applies to a Company, the name of the Director or Supervisor involved and the remuneration paid to him/her shall be disclosed. For the remaining Directors or Supervisors, the Company may opt to either disclose information in aggregate remuneration with their names indicated in each numerical range or disclose their names and method of remuneration individually (If the latter is chosen, please fill their positions, names and remuneration amounts individually. The Company shall not need to fill the table for ranges of remuneration):



1. Where it was a loss after tax in the parent company only or individual financial statements in the last three years, the name and remuneration of individual “Directors and Supervisors” shall be disclosed; provided that it is net income after tax in the parent company only or individual financial statements in the most recent year, and the said net income is sufficient to make up for the accumulated losses.
2. The remuneration of individual directors shall be disclosed if the directors’ shareholding has been inadequate for at least three consecutive months in the most recent year, and the remuneration of individual executives shall be disclosed if the executives’ shareholding has been inadequate for at least three consecutive months in the most recent year.
3. If the average qualitative ratio of directors or executives is greater than 50% for any three months of the most recent year, the remuneration of individual directors or executives whose qualitative ratio is greater than 50% for each month shall be disclosed.
4. If the total amount of remuneration received by all the directors and supervisors of a company from all the companies listed in its financial statements exceeds two (2) percent of its net income after taxes, and the amount of remuneration received by any individual director or supervisor exceeds NT\$15 million, the Company shall disclose the amount of remuneration paid to individual directors or supervisors. (Description: The remuneration of Directors and Supervisors is calculated based on “Remuneration of Directors” plus “Remuneration of Supervisors” as in the Appendix without including the relevant remuneration received as concurrent employees.)
5. Any result of evaluation made on corporate governance in the most recent year is in the last two level, or any trading method changes, any trading or marketing stops, or any evaluation is rejected by the Corporate Governance Evaluation Committee in the most recent year as of the publication date of this Annual Report as a listed company.
6. The average annual salary of the full-time employees of the listed company who do not hold executive positions in the most recent year does not reach NT\$500,000.
7. A listed company’s net income after tax for the most recent year has increased by 10% or more, but the average annual salary of full-time employees who are not in supervisory positions has not increased from the previous year.
8. If a listed company that has experienced a decline of over ten percent in net income after tax and has exceeded NT\$5 million in the most recent fiscal year, as well as an increase of over ten percent and exceeding NT\$100,000 in average director remuneration (excluding remuneration for concurrent employees).

If the circumstance in sub-item “(I)” or in sub-item “(V)” of the preceding item applies to a company listed on the TWSE or the TPEX, it shall disclose the individual remuneration paid to each of its top five management personnel (e.g., General Manager, Deputy General Managers, Chief Executive Officer, or Chief Financial Officer).

(I) Remuneration paid to Directors, Independent Directors, General Manager, and Deputy General Managers

9. Remuneration for general and independent directors(name and remuneration shall be disclosed individually)

Unit: NT\$ 1,000

Title	Name(Note 1)	Directors' remuneration								Sum of items A, B, C and D to NIAT Ratio (Note 10)		Relevant remuneration received by directors who also serve as employees								Percentage of the total of 7 items A, B, C, D, E, F and G to net income after taxes (Note 10)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 11)		
		Base Compensation (A) (Note 2)		Separation Pay and Pension (B)		Remuneration of directors (C) (Note 3)		Costs Incurred from Performance of Duty (D) (Note 4)				Salary, Bonuses, and Special Allowances (E) (Note 5)		Separation Pay and Pension (F)		Employee Rewards (G) (Note 6)								
		The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All Companies in the Financial Report (Note 7)			
Chairman	Quintin Wu	0	0	0	0	0	0	24	24	24 (0.01%)	24 (0.01%)	4,170	4,170	0	0	0	0	0	0	0	0	4,194 (1.88%)	4,194 (1.88%)	18,399
Director	Ma, I-Kung	1,200	1,200	0	0	0	0	150	150	1,350 (0.61%)	1,350 (0.61%)	0	0	0	0	0	0	0	0	0	0	1,350 (0.61%)	1,350 (0.61%)	0
Director	Wu, Pei-Chi	0	0	0	0	0	0	24	24	24 (0.01%)	24 (0.01%)	4,304	4,304	36	36	0	0	0	0	0	0	4,364 (1.96%)	4,364 (1.96%)	5,853
Director	Ying, Bao-Luo	1,000	1,000	0	0	0	0	144	144	1,144 (0.51%)	1,144 (0.51%)	0	0	0	0	0	0	0	0	0	0	1,144 (0.51%)	1,144 (0.51%)	0
Director	Ko, I-Shao (Note 12)	0	0	0	0	0	0	20	20	20 (0.01%)	20 (0.01%)	0	0	0	0	0	0	0	0	0	0	20 (0.01%)	20 (0.01%)	10
Director	Pi, Shu-Chien (Note 12)	0	0	0	0	0	0	124	124	124 (0.06%)	124 (0.06%)	0	0	0	0	0	0	0	0	0	0	124 (0.06%)	124 (0.06%)	56
Independent Director	Chen, Tien-Wen	1,200	1,200	0	0	0	0	158	158	1,358 (0.61%)	1,358 (0.61%)	0	0	0	0	0	0	0	0	0	0	1,358 (0.61%)	1,358 (0.61%)	0
Independent Director	Wei, Yung-Tu	1,200	1,200	0	0	0	0	178	178	1,378 (0.62%)	1,378 (0.62%)	0	0	0	0	0	0	0	0	0	0	1,378 (0.62%)	1,378 (0.62%)	0
Independent Director	Li, Kuo-Hsiang	1,200	1,200	0	0	0	0	168	168	1,368 (0.61%)	1,368 (0.61%)	0	0	0	0	0	0	0	0	0	0	1,368 (0.61%)	1,368 (0.61%)	0
Independent Director	Chen, Piao-Chun	0	0	0	0	0	0	94	94	94 (0.04%)	94 (0.04%)	0	0	0	0	0	0	0	0	0	0	94 (0.04%)	94 (0.04%)	0
<p>1. Please state the policies, systems, standards, and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment: The remuneration of Independent Directors is paid based on the Company's Articles of Incorporation and the remuneration policies and measures and depends on the degree of participation and the value of their contribution to the Company's operations, with reference to the median level in the industry, and it shall be distributed after submitted to and approved by the Remuneration Committee and adopted by the Board of Directors. Except for the fixed remuneration, no other consideration is paid each year.</p> <p>2. In addition to the information disclosed in the table above, remuneration paid to any director of the Company (such as serving as an adviser to all non-employees of the parent company/all companies/re-invested companies in the financial report, etc.) in the most recent fiscal year: None.</p>																								



Range of Remuneration: N/A

- Note 1: The names of Directors shall be listed separately (for corporate shareholders, their names and the name of their representatives shall be listed separately) and the amount of remuneration paid to them shall be disclosed collectively. This table and table (3-1), or tables (3-2-1) and (3-2-2) below shall be filled out if a Director concurrently serves as the General Manager or Deputy General Manager.
- Note 2: Remuneration received by a director in the most recent fiscal year (including director's salary, job-related allowances, separation pay, various bonuses and incentives).
- Note 3: Fill the amount of rewards approved by the Board of Directors and distributed to the directors in the most recent fiscal year.
- Note 4: Business expenses paid to the directors in the most recent fiscal year (including services and goods provided such as transportation allowances, special allowances, various allowances, accommodation and vehicle). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration).
- Note 5: Salary, job-related allowances, severance pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and driver allowance received by directors who concurrently serve as employees (including general manager, deputy general manager, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Any compensation listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall be included. The Company provides transportation and other expenses amounting to NT\$339 thousand.
- Note 6: For directors concurrently serving as employees (including general manager, deputy general manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.
- Note 7: The total amount of all the remuneration paid to the Company's Directors by all the companies in the consolidated financial statements (including the Company) shall be disclosed.
- Note 8: The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to each Director by the Company.(N/A)
- Note 9: The total amount of all the remuneration paid to each Director of the Company by all the companies in the consolidated financial statements (including the Company) shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the total amount.(N/A)
- Note 10: Net income after tax refers to net income after tax listed in the parent company only or individual financial statements in the most recent year.
- Note 11: a. This field shall clearly indicate the amount of remuneration received by the Company's Directors from investees other than a subsidiary or the parent company (if not, please fill in "none").
b. If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries shall be combined into Column I of the table for range of remuneration, and this column shall be renamed "Parent Company and All Investees".
c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the directors, serving as a director, supervisor or manager of a reinvestment business or parent company of the Company other than
- Note 12: On March 1, 2024, Taiwan Union International Investment Corporation, the institutional shareholder, appointed Bi Shu-Chien as its representative in replace of Ko, I-Shao in the position of director. The disclosure of Ko, I-Shao's information shall be made up to the date of the change in representation.
- * The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

10. Remuneration paid to supervisors: Not applicable as the Company has an Audit Committee that replaces the functions of Supervisors.

11. Remuneration for General Manager and Deputy General Managers(name and remuneration shall be disclosed individually)

Unit: NT\$ 1,000

Title	Name (Note 1)	Salary (A) (Note 2)		Separation Pay and Pension (B)		Bonuses and special allowances (C) (Note 3)		Amount of employee rewards (D) (Note 4)				Percentage of the total of 4 items A, B, C and D on net income after tax (%) (Note 8)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 9)
		The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)	The Company		All the Companies Included in the Consolidated Financial Statements (Note 5)		The Company	All companies in the Financial Report (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chief Executive Officer	Quintin Wu	3,835	3,835	0	0	335	335	0	0	0	0	4,170 (1.87%)	4,170 (1.87%)	18,399
General Manager	Wu, Pei-Chi	1,615	1,615	36	36	2,689	2,689	0	0	0	0	4,340 (1.95%)	4,340 (1.95%)	5,853

* Regardless of job titles, positions that are equivalent to general manager, deputy general manager (such as president, chief executive director and director) shall be disclosed.

Range of Remuneration: N/A

- Note 1: The names of the General Manager and Deputy General Manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, this table, Table (1-1) or (1-2-1) and (1-2-2) above shall be filled in.
- Note 2: Fill the salary, job-related allowances and separation pay received by the General Manager and Deputy General Manager in the most recent fiscal year.
- Note 3: Fill the amount of various bonuses, incentives, transportation allowances, special allowance, various allowances, accommodation, and vehicle received by the General Manager and Deputy General Managers in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Any compensation listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall be included. The Company provides transportation and other expenses amounting to NT\$339 thousand.
- Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the general manager and deputy general manager in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.
- Note 5: The total amount of the remuneration of all the companies (including the Company) in the consolidated report to the General Manager and Deputy General Manager and Deputy General Managers of the Company shall be disclosed.
- Note 6: The name of each general manager and deputy general manager should be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the general manager and deputy general manager by the Company.(N/A)
- Note 7: The Company shall disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company itself) to each of the Company's general managers and deputy general managers, and disclose their names within the applicable compensation range.(N/A)
- Note 8: Net income after tax (NIAT) refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after tax refers to net income after tax recorded in the parent company only or standalone financial statements in the most recent fiscal year.
- Note 9:
- This field shall clearly indicate the amount of remuneration received by the Company's General Manager or Deputy General Manager from investees other than subsidiaries or the parent company (if not, please fill in "none").
 - If the General Manager or Deputy General Managers of the Company receive remuneration from investees other than subsidiaries or the parent company, the remuneration received by the General Manager or Deputy General Managers of the Company from investees other than subsidiaries or the parent company shall be included in Column E in the Range of Remuneration Table, and the column shall be renamed "Parent Company and All Investees."
 - Remuneration in this case refers to remuneration, bonuses (including employee, Director, or supervisor compensation), and allowances received by the General Manager or Deputy General Managers of the Company as the Directors, supervisors, or managerial officers of investees other than subsidiaries or the parent company
- * The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

12. The remuneration of the top five executives with the highest remuneration (name and remuneration shall be disclosed individually)

Unit: NT\$ 1,000

Title	Name (Note 1)	Salary (A) (Note 2)		Separation Pay and Pension (B)		Bonuses and special allowances (C) (Note 3)		Amount of employee rewards (D) (Note 4)				Proportion of the sum of A, B, C, and D to NIAT (%) (Note 6)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Note 7)
		The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)	The Company		All companies in the Financial Report (Note 5)		The Company	All companies in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chief Executive Officer	Quintin Wu	3,835	3,835	0	0	335	335	0	0	0	0	4,170 (1.87%)	4,170 (1.87%)	18,399
General Manager	Wu, Pei- Chi	1,615	1,615	36	36	2,689	2,689	0	0	0	0	4,340 (1.95%)	4,340 (1.95%)	5,853
Senior Manager	Huang, Chun- Hao	2,057	2,462	108	108	943	1,145	0	0	0	0	3,108 (1.39%)	3,715 (1.67%)	0
Director of Cianjhen Plant	Wang, Wen-Yao	1,850	1,850	108	108	550	550	0	0	0	0	2,508 (1.12%)	2,508 (1.12%)	0
Head of the Toufen Plant	Liao, Kuo-Yun	1,538	1,538	88	88	562	562	0	0	0	0	2,188 (0.98%)	2,188 (0.98%)	0

Note 1: The term "individual remuneration to the top five management personnel" refers to the Company's managerial officers. The criteria for identifying these managerial officers are based on the rules set forth in the letter Tai-Cai-Zheng-III No. 0920001301 issued by the Securities and Futures Commission, Ministry of Finance, dated March 27, 2003. As for the principle of determining the "individual remuneration to the top five management personnel", it is based on the total amount of salaries, pensions, bonuses, and special allowances, as well as employee remuneration received by the Company's managerial officers from all companies in the consolidated financial reports (i.e., the sum of A+B+C+D), and the top five management personnel with the highest remuneration are determined after sorting. If a Director concurrently serves as a managerial officer as above, this table and Table (1-1) above shall be filled in.

Note 2: Fill the salary, job-related allowances and severance pay received by the top five management personnel with the highest remuneration in the most recent fiscal year.



- Note 3: Fill the amount of various bonuses, incentives, transportation allowances, special allowance, various allowances, accommodation, and vehicle received by the top five management personnel with the highest remuneration in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Any compensation listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall be included. The provision of accommodations for senior managers includes a rental fee of NT\$519 thousand which has been accounted for in the aforementioned table of bonuses and special expenses. In addition, the Company also provides transportation and other expenses amounting to NT\$1,068 thousand.
- Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the top five management personnel with the highest remuneration in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1 - 3.
- Note 5: The total amount of all the remuneration paid to the Company's top five management personnel with the highest remuneration by all the companies in the consolidated financial statements (including the Company) shall be disclosed.
- Note 6: Net income after tax refers to net income after tax listed in the parent company only or individual financial statements in the most recent year.
- Note 7: a. This field shall clearly indicate the amount of remuneration received by the Company's top five management personnel with the highest remuneration from investees other than a subsidiary or the parent company (if not, please fill in "none").
b. Remuneration refers to the compensation, rewards (including rewards distributed to employees, Directors, and supervisors) and remuneration related to business expenses that are received by the Company's top five management personnel with the highest remuneration who serve as Directors, supervisors or managerial officers at investees other than subsidiaries or the parent company.
- * The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.



13. Name of Managerial Officers to Which Employee Rewards Are Distributed, and Status of Distribution

December 31, 2024

Unit: NT\$ 1,000

	Title (Note 1)	Name (Note 1)	Stock Amount	Cash Amount	Total	Total remuneration in proportion to Earnings After Tax (%)
Managerial Officer	Chief Executive Officer	Quintin Wu	0	0	0	0%
	General Manager	Wu, Pei-Chi				
	Senior Manager	Huang, Chun-Hao				
	Head of Operations Department	Yu, Pai- Chuan				
	Director of Cianjhen Plant	Wang, Wen- Yao				
	Head of the Toufen Plant	Liao, Kuo- Yun				
	Director of Linyuan Plant	Tsai, Chung- Ju				
	Corporate Governance Officer	Chen, Yung- Chih				
	Head of Accounting Department	Li, Chun- Yao				
	Head of Accounting Department	Chang, Pi- Ling				
	Head of Accounting Department	Wu, Chia- Ling				
	Head of Finance Department	Chuang, Kai- Hui				
	Head of Finance Department	Luo, Fei-Yun				

Note 1: Names and positions shall be listed individually, and the amount of profit distributed shall be disclosed collectively.

- Note 2: Refers to compensations paid to the Managers (including stock and cash) approved by the Board of Directors in the most recent year; If such compensations cannot be estimated, an estimation for this year shall be calculated in proportion to the compensations paid last year. Net income after tax (NIAT) refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after tax refers to net income after tax recorded in the parent company only or standalone financial statements in the most recent fiscal year.
- Note 3: The scope of application for the term “managerial officer” shall follow the approved document with Reference No. T.C.Z.S.Z. No. 0920001301 dated March 27, 2003. Its scope of application shall be as follows:
- (1) General Manager and its equivalent
 - (2) Deputy General Manager and its equivalent
 - (3) Senior Manager and its equivalent
 - (4) Head of Finance Department
 - (5) Head of Accounting Department
 - (6) Other personnel authorized to manage company operations and sign for approval
- Note 4: Directors, General Manager and Deputy General Manager who receive employee rewards (including shares and cash) shall be listed not only in Table 1-2, but also in this table.
- Note 5: On September 26, 2024, Director Yu, Pai-Chuan of the Business Operations Department retired.
- Note 6: On November 6, 2024, Chang, Pi-Ling, the head of the Accounting Department, underwent a job transfer.
- Note 7: On October 1, 2024, Wu, Chia-Ling, the head of the Accounting Department, submitted her resignation.
- Note 8: On July 30, 2024, Chuang, Kai-Hui, the Head of Finance Department, submitted her resignation.



- (II) Analysis and comparison of percentages of remuneration paid to the Company's Directors, Supervisors, General Manager and Deputy General Managers by the Company and all the companies listed in its consolidated financial statements in the most recent two fiscal years to the net income (loss) after taxes recorded in its parent company-only or individual financial statements, and explanation on the remuneration policies, standards and packages, procedures for determining remuneration and their correlations with its business performance and future risk exposure.

1. Analysis of total remunerations of directors, general managers and deputy general managers in proportion to earnings after tax:

Year Type	2024		2023	
	The Company	All companies in the Financial Report	The Company	All companies in the Financial Report
General Directors	(1.21%)	(1.21%)	(0.95%)	(0.95%)
Independent Director	(1.88%)	(1.88%)	(1.97%)	(1.97%)
General Directors (Including Those Who Concurrently Serve as Employees and Receive Employees' Compensation)	(5.03%)	(5.03%)	(4.18%)	(4.18%)
Independent Directors (Including Those Who Concurrently Serve as Employees and Receive Employees' Compensation)	(1.88%)	(1.88%)	(1.97%)	(1.97%)
Chief Executive Officer, General Manager and Deputy General Managers	(3.82%)	(3.82%)	(4.85%)	(4.91%)

2. Remuneration Policies, Standards and Packages, Procedures for Determining Remuneration and Correlation of Remuneration with Business Performance and Future Risks:

- (1) Remuneration policies, standards and packages

- The remuneration of the directors is in accordance with Article 19-1 of the Company's Articles of Incorporation, which stipulates, "Regardless of the Company's operating profit or loss, the remuneration shall be based on the value of their participation in and contribution to the Company's operations, with the industry standards in the R.O.C. as a reference." The remuneration of the directors shall not exceed one percent of the profit for the year, and the remuneration of the employees

shall not be less than one percent of the profit for the year in accordance with Article 34 of the Company's Articles of Incorporation. The foregoing remuneration is determined with reference to the Company's operating performance and the results of the evaluation of the directors' performance. In addition, the Company shall pay the traffic allowance in accordance with the resolution of the shareholders' meeting, but the manager of the Company who concurrently serves as the director shall not receive the traffic allowance. Among them, the aspects of directors' regular evaluation include the mastery of the Company's objectives and tasks, directors' cognition of their responsibilities, their participation in the Company's operation, internal relationship management and communication, directors' professionalism and continuous learning, and internal control.

- The manager's remuneration shall be handled in accordance with the relevant personnel regulations and Article 22 of the Articles of Incorporation. It shall be approved by the Board of Directors by considering the operating performance. The operational performance encompasses various dimensions: financial aspects (operating revenue, operating profit, and pre-tax net profit), customer aspects (customer satisfaction, service quality, significant market development), product aspects (brand management, quality innovation), talent aspects (talent cultivation, potential development), safety aspects (zero pollution, zero emissions, zero occupational accidents, zero incidents, zero failures), and project aspects (digital transformation, energy conservation and carbon reduction, circular economy, net-zero emissions). The evaluation of achievement rates in these areas includes a weight of at least 20% for sustainability-related indicators, with at least 5% of the sustainability indicators pertaining to climate-related items. The relevant indicator items are established based on the short, medium, and long-term planning outlined in the ESG report's sustainability vision and goals.



- The Company's remuneration packages are determined by the Remuneration Committee Charter. They include cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. The scope is consistent with the remuneration for Directors and managerial officers specified in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(2) Procedures for determining the remuneration

The results of the evaluations conducted in accordance with the Company's "Regulations for Evaluating the Performance of the Board of Directors" and the "Performance Management Regulations" for managerial officers and employees are used as the basis for regular evaluations of the salary and remuneration of Directors and managerial officers.

The performance evaluation and reasonableness of the remuneration of Directors and managerial officers are regularly assessed and reviewed by the Remuneration Committee and the Board of Directors every year. The Company reviews their performance achievement rate and contributions to the Company, considers the overall performance of the Company's operations, future risks, and development trends of the industry, and reviews the remuneration system whenever necessary based on actual operations and relevant laws and regulations to provide reasonable remuneration and attain a balance between the Company's sustainable operations and risk management.

(3) Correlations with the Company's business performance and future risk exposure

The Remuneration Committee references the Company's overall business performance, outlook of the industry, business risks, and development trends and evaluates the performance targets of the Company's Directors and managerial officers to establish the content and amount of their remuneration individually. The Committee forms recommendations and submits them to the Board of Directors for passage. The Committee reviews the remuneration system for the Company's Directors and managerial officers any time in light of the actual operating conditions and relevant laws and regulations and should not guide the Company's Directors and managerial officers to pursue compensation and engage in behaviors beyond the Company's risk appetite.

III. Operations of Corporate Governance

(I) Operations of the Board of Directors

A total of six (6) meetings (A) were held by the Board of Directors in the most recent fiscal year (2024). The attendance of the members of the Board was as follows:

Title	Name	1st meeting 2024.3.7	2nd meeting 2024.4.17	3rd meeting 2024.5.7	4th meeting 2024.6.5	5th meeting 2024.8.6	6th meeting 2024.11.6	Number of Attendance in Person B	Attendance by Proxy	Rate of Attendance in Person (%) [B/A] (Note 2)	Notes
Chairman	Quintin Wu (representative of Union Polymer International Investment Corporation)	◎	◎	◎	◎	◎	◎	6	0	100	
Director	Ma, I-Kung (representative of USIFE Investment Co., Ltd.)	◎	◎	◎	◎	◎	◎	6	0	100	
Director and General Manager	Wu, Pei-Chih (representative of Union Polymer International Investment Corporation)	◎	◎	◎	◎	◎	◎	6	0	100	
Director	Yin, Bao-Luo (representative of USIFE Investment Co., Ltd.)	◎	◎	◎	◎	◎	◎	6	0	100	
Director	Pi, Shu-Chien (representative of Tai Lien International Investment Co., Ltd.)	◎	◎	◎	◎	☆	☆	4	2	66.67	
Independent Director	Chen, Tien-Wen	◎	◎	◎	◎	◎	◎	6	0	100	
Independent Director	Wei, Yung-Tu	◎	◎	◎	◎	◎	◎	6	0	100	

Title	Name	1st meeting 2024.3.7	2nd meeting 2024.4.17	3rd meeting 2024.5.7	4th meeting 2024.6.5	5th meeting 2024.8.6	6th meeting 2024.11.6	Number of Attendance in Person B	Attendance by Proxy	Rate of Attendance in Person (%) [B/A] (Note 2)	Notes
Independent Director	Li, Kuo-Hsiang	◎	◎	◎	◎	◎	☆	5	1	83.33	
Independent Director	Chen, Piao-Chun	—	—	—	◎	◎	◎	3	0	100	Newly appointed; required to attend three meetings

Note 1: For directors and supervisors who are juristic persons, the name of corporate shareholders and their representatives shall be disclosed.

Note 2: (1) Where directors or supervisors resign before the end of the year, the “remark” column shall be annotated with the date of resignation. Actual presence (attendance) rate (%) shall be calculated using the number of Directors’ Meetings convened and actual presence (attendance) during the term of service.

(2) Where Directors and Supervisors were re-elected before the end of the year, both the incoming and outgoing Directors and Supervisors shall be listed accordingly. The “remark” column shall be annotated to indicate whether the Director or Supervisor was outgoing, incoming, or reelected as well as the date of re-election. The Director’s rate of attendance in person (%) shall be calculated based on the number of Board of Directors’ Meetings held and the attendance in person during his/her term of office.

Note 3: Attendance in person:◎; Attendance by proxy:☆.

Note 4: On May 31, 2024, the shareholders’ annual meeting held a director election, including four independent directors.

Other matters to be noted:

1. If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors' Meeting, as well as the resolutions, opinions of independent directors and the Company's actions in response to the opinions of independent directors shall be stated:
 - (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, and the provisions of Article 14-3 of the Securities and Exchange Act do not apply. For related information, please refer to the operational status of the Audit Committee in this annual report.
 - (2) Other than the matters mentioned above, other resolutions with objections or reservations from the Independent Directors and are documented or stated: None.
2. In regards the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the agenda, reasons for recusal due to conflict of interests and voting outcomes shall be stated:

Names of Director	Motion	Reason for Recusal	Participation in Voting	Board Meeting Session
Wu, Pei-Chi	Managerial officers' engagement in competitions.	They had a conflict of interest with this proposal as Directors.	Did not participate in voting	2024 1st Meeting 2024.3.7
				2024 6th Meeting 2024.11.6
Wei, Yung-Tu Chen, Tien-Wen Li, Kuo-Hsiang	Appointment of independent directors Wei, Yung-Tu, Chen, Tien-Wen, and Li, Kuo-Hsiang to serve on the Company's Remuneration Committee.	They had a conflict of interest with this proposal as Directors.	Did not participate in voting	2024 4th Meeting 2024.6.5
Li, Kuo-Hsiang Chen, Tien-Wen Chen, Piao-Chun	Appointment of independent directors Li, Kuo-Hsiang, Chen, Tien-Wen, and Chen, Piao-chun to serve on the Company's ESG Committee.			



3. Listed company shall disclose the evaluation cycle and duration, scope of evaluation, methodology, and evaluation contents of the evaluation of the Board of Directors.

Evaluation of the performance for the Board of Directors in 2024:

Frequency (Note 1)	Period of evaluation (Note 2)	Scope (Note 3)	Evaluation Method (Note 4)	Description (Note 5)
Once every year	January 1, 2024 to December 31, 2024	Performance Evaluation of the Board of Directors	Self- Evaluation of the Board of Directors	I. Performance Evaluation of the Board of Directors 1. Degree of participation in the Company's operations 2. Improvement in the quality of decision-making of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuous education of directors 5. Internal control
		Performance evaluation of individual directors	Board of Directors Self evaluation of board members	II. Self performance evaluation of board members 1. Mastery of company objectives and tasks. 2. Understanding of the director's roles and responsibilities 3. Degree of participation in the Company's operations 4. Internal relationship management and communication 5. Expertise and continuing education of the directors 6. Internal control
		Evaluation of functional committees' performance	Self- evaluation of functional committees' members	III. Evaluation of the Audit Committee's Performance 1. Degree of participation in the Company's operations 2. Understanding of duties of the Audit Committee 3. Improvement of the decision-making quality of the Audit Committee 4. Composition of the Audit Committee and selection of committee members 5. Internal control
				IV. Evaluation of the Remuneration Committee's performance

Frequency (Note 1)	Period of evaluation (Note 2)	Scope (Note 3)	Evaluation Method (Note 4)	Description (Note 5)
				1. Degree of participation in the Company's operations 2. Understanding of the Remuneration Committee's roles and responsibilities 3. Improvement in the Remuneration Committee's decision-making quality 4. Composition and member selection of the Remuneration Committee
				V. Evaluation of the ESG Committee's performance 1. Degree of participation in the Company's operations 2. Understanding of the ESG Committee's roles and responsibilities 3. Improvement in the ESG Committee's decision-making quality 4. Composition and member selection of the ESG Committee

The results of performance evaluation for the Board of Directors and functional committees for 2024 have been reported to the 1st meeting of the Board of Directors in 2025 (March 5, 2025) and disclosed on the Company's website.

Note 1: Fill in the cycle of the evaluation of Board of Directors; for example: once a year.

Note 2: Fill in the period covered by the evaluation of the Board of Directors. For example, the performance evaluation of the Board of Directors from January 1, 2024 to December 31, 2024.

Note 3: The scope of the evaluation includes the performance evaluation of the Board of Directors, individual Board members, and functional committees.

Note 4: The evaluation methods include self-evaluation of the Board of Directors, self-evaluation of the Directors, peer evaluation, appointment of external professional institutions or experts, or other appropriate methods.

Note 5: The evaluation content includes at least the following items according to the evaluation scope:

- (1) Performance evaluation of the Board of Directors: It shall at least include the degree of participation in the Company's operations, the quality of decision-making of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuous learning of directors, and internal control.
- (2) Evaluation of individual Directors' performance: It shall at least include the knowledge about the Company's objectives and tasks, the understanding of Director duties, the participation in the Company's operations, the internal relationship management and communication, Directors' specialties and continuous learning, and internal control.



- (3) Performance evaluation of functional committees: It shall include the degree of participation in the Company's operations, the understanding of the functional committee's responsibilities, the quality of decision-making of the functional committee, the composition and selection of members of the functional committee, and internal control.
- 4. The targets for strengthening the functions of the Board of Directors in the current year and recent years (such as the establishment of the Audit Committee and enhancement of information transparency) and the assessment of implementation:
 - (1) The Board of Directors operates in compliance with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholders' meeting. In addition to possessing necessary professional knowledge to carry out their duties, all Directors shall act in accordance with the principles of honesty and good faith and their due obligations, to create the maximum interests for all shareholders.
 - (2) The Company constantly pays attention to changes in laws and regulations of the competent authority, reviews its Board of Directors Meeting Regulations and Rules Governing the Scope of Powers of Independent Directors, and evaluates its Audit Committee Charter and Remuneration Committee Charter in due course. The Company really seeks to improve information transparency in accordance with the amended laws, and the implementation of these regulations has been favorable.
 - (3) The Board appointed a Corporate Governance Officer on May 9, 2019 to ensure the implementation of corporate governance best practices, to safeguard the interests of shareholders, and to strengthen the functions of the Board.
 - (4) The Company established the Remuneration Committee in 2011, the Audit Committee in 2015, and the ESG Committee in 2017, and has continued to enhance the effectiveness of these functional committees.
 - (5) The Company's website and the Market Observation Post System disclose relevant information on the Company's compliance with related regulations and major resolutions of the Board of Directors to help shareholders understand the Company's development and enhance the transparency of the Company's information.

- (6) The Company organizes 6 hours of directors training sessions each year and assists directors to participate in external corporate governance courses. Below details the continued training sessions attended by the Company's Directors in 2024:

Title	Name	Date	Organizer	Course Title	Hours
Chairman	Quintin Wu	2024/7/11	Securities & Futures Institute	Digital Transformation for an AI-Driven Future: Use Cases in Generative AI	3
		2024/10/16	Securities & Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3
Director	Ma, I-Kung	2024/7/11	Securities & Futures Institute	Digital Transformation for an AI-Driven Future: Use Cases in Generative AI	3
		2024/10/16	Securities & Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3
Director and General Manager	Wu, Pei-Chi	2024/7/11	Securities & Futures Institute	Digital Transformation for an AI-Driven Future: Use Cases in Generative AI	3
		2024/9/30	Taiwan Stock Exchange (TWSE)	Strengthening the Taiwan Capital Market Summit	3
Director	Ying, Bao-Luo	2024/7/11	Securities & Futures Institute	Digital Transformation for an AI-Driven Future: Use Cases in Generative AI	3
		2024/10/16	Securities & Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3
Director	Pi, Shu-Chien	2024/3/22	Taiwan Stock Exchange (TWSE)	CDP Taiwan Launch - Building a New Carbon Era Advocacy through Sustainable Knowledge and Innovation	3
		2024/6/3	Securities & Futures Institute	Institutional Investor Perspective Forum	3
		2024/6/7	Taiwan Institute of Directors	The Era of New Energy	3
		2024/7/11	Securities & Futures Institute	Digital Transformation for an AI-Driven Future: Use Cases in Generative AI	3



Title	Name	Date	Organizer	Course Title	Hours
Independence Director	Chen, Tien-Wen	2024/7/11	Securities & Futures Institute	Digital Transformation for an AI-Driven Future: Use Cases in Generative AI	3
		2024/10/16	Securities & Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3
Independence Director	Wei, Yung-Tu	2024/3/6	Taiwan Corporate Governance Association	2024 Global Economic Outlook	1
		2024/7/3	Taiwan Financial Research Institute	The Era of Carbon Pricing and Corporate ESG Actions	3
		2024/7/11	Securities & Futures Institute	Digital Transformation for an AI-Driven Future: Use Cases in Generative AI	3
Independence Director	Li, Kuo-Hsiang	2024/7/11	Securities & Futures Institute	Digital Transformation for an AI-Driven Future: Use Cases in Generative AI	3
		2024/10/16	Securities & Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3
Independence Director	Chen, Piao-Chun	2024/7/11	Securities & Futures Institute	Digital Transformation for an AI-Driven Future: Use Cases in Generative AI	3
		2024/10/16	Securities & Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3

In the 2024 director election, all director's training content and hours comply with the provisions of Article 14, Paragraph 3 of the "Guidelines for the Establishment and Exercise of Powers of the Board of Directors of Taiwan Stock Exchange Limited Listed Companies" and the "Guidelines for the Promotion of Training for Directors and Supervisors of Listed and OTC

(II) Companies". The company has also completed the disclosure of relevant information. Operations of the Audit Committee:

1. Operations of the Audit Committee

(1) Functions

- Formulation and amendment of the internal control system pursuant to Article 14-1 of the Act.
- Evaluation of the effectiveness of the internal control systems.

- Pursuant to Article 36-1 of the Securities and Exchange Act, formulate or revise procedures for major financial business actions including the acquisition or disposal of assets, engaging in derivative trading, loaning of funds to others, making endorsement or guarantees for others
- Items involving the interests of directors.
- Major assets or derivative trading.
- Major loaning of funds, making of endorsements or provision of guarantees.
- Raising, issuing, or privately placing marketable securities.
- Appointment, dismissal and compensation of CPAs.
- Appointments and dismissal of finance, accounting and internal audit managers.
- Annual financial reports signed and sealed by the Chairman, a managerial officer, and the accounting manager.
- Other major items required by other companies or the competent authority.

(2) Annual Work Summary

The Audit Committee is composed of four independent directors. In total four meetings (A) were held during the fiscal year of 2024. The attendance of the members is listed below:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of attendance in person (%) (B/A) (Note 1, Note 2)	Notes
Independent Director	Chen, Tien-Wen	4	0	100	
Independent Director	Wei, Yung-Tu	4	0	100	
Independent Director	Li, Kuo-Hsiang	3	1	75	
Independent Director	Chen, Piao-Chun	2	0	100	Newly appointed, required to attend 2 meetings

Note 1: Where an independent director resigns before the end of the fiscal year, the “remark” column should be filled with the independent director’s resignation date, whereas his/her percentage of attendance in person (%) should be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.



Note 2: If independent directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors shall be listed accordingly, and the Remark column shall indicate whether the status of an independent director is “outgoing,” “incoming” or “re-elected,” and the date of re-election. The attendance ratios (%) should be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during the member’s term of office.

Note 3: Election held on May 31, 2024.

Main Items for Review:

1. Assessment of the effectiveness of the internal control system.
2. Financial statements and earnings distribution proposal.
3. Lift competition restrictions against Directors.
4. Assessment on the independence of CPAs and appointment of CPAs.
5. Implemented the Non-Assurance Services Pre-Approval Policy by CPAs.
6. Amendment of the internal control system.
7. Endorsements/guarantees.
8. Interim financial report.
9. Replacement of the Head of Accounting Department.
10. CPA fees.
11. Appointment of a treasurer
12. Audit plan.
13. Oversee the implementation of risk management policies.
 - Review the annual accounts and earnings distribution and issue an audit report.
 - Formulation of the Non-Assurance Services Pre-Approval Policy by CPAs and amendment to the Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises
 - Modification of the internal control system and amendment to the Regulations on Stock Affairs.
 - Assess the effectiveness of the internal control system and issue the Internal Control System Statement.
 - Assess the independence of CPAs and appoint CPAs and audit their remuneration.

(3) Implementation Status

A. The date of the Board meeting, the term, contents of the proposals, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting.

(A) Items listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Resolution and Follow-up Actions	Items listed in Article 14-5 of the Securities and Exchange Act	Dissenting Opinion or Qualified Opinion by Independent Directors
2024 1st meeting 2024.3.7	1. Replacement of the Head of Accounting Department.	V	None
	2. Preparation of 2023 consolidated and parent company only financial statements	V	None
	3. Appointment of CPAs for 2024.	V	None
	4. Internal Control System Statement in 2023.	V	None
	Opinions of the Audit Committee: None.		
	The Company's Handling of Opinions of the Audit Committee: None		
	Resolution: The motions were passed unanimously by the Directors in attendance and filed for discussion at the board meeting.		
2024 2nd meeting 2024.5.7	1. Approve the 1Q 2024 Consolidated Financial Statements.	V	None
	2. Amendment of the Company's internal control system.	V	None
	Opinions of the Audit Committee: None.		
	The Company's Handling of Opinions of the Audit Committee: None		
	Resolution: The motions were passed unanimously by the Directors in attendance and filed for discussion at the board meeting.		
2024 3rd meeting 2024.8.6	1. Consolidated Financial Statement for Q3 2024	V	None
	2. Ratified the provision of endorsement guarantee for subsidiary TAITA (BVI) Holding Co., Ltd.	V	None
	3. Appointment of Chief Financial Officer.	V	None
	Opinions of the Audit Committee: None.		
	The Company's Handling of Opinions of the Audit Committee: None		
	Resolution: The motions were passed unanimously by the Directors in attendance and filed for discussion or report at the board meeting.		



Audit Committee	Resolution and Follow-up Actions	Items listed in Article 14-5 of the Securities and Exchange Act	Dissenting Opinion or Qualified Opinion by Independent Directors
2024 4th meeting 2024.11.6	1. Replacement of the Head of Accounting Department.	V	None
	2. Consolidated Financial Statement for 3Q 2024	V	None
	3. Remuneration of CPAs for 2024.	V	None
	4. Amendment of the Company's internal control system.	V	None
	Opinions of the Audit Committee: None.		
	The Company's Handling of Opinions of the Audit Committee: None		
	Resolution: The motions were passed unanimously by the Directors in attendance and filed for discussion at the board meeting.		

- (B) In addition to the items in the preceding items, other resolutions passed by two-thirds of all the Directors but yet to be approved by the Audit Committee: None.
- B. In regard to the recusal of independent Directors from voting due to conflict of interests, the name of the independent Directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes shall be stated: No such occurrences.
- C. Communications between independent directors and the head of internal audit and CPAs (material issues, methods and outcomes related to the Company's financial and business status should be included).
- (A) Besides submitting the monthly audit reports to independent directors for review, the internal Chief Audit Officer also reports major audit findings to independent directors each quarter at the Audit Committee meeting.
- (B) CPAs review the Company's consolidated financial statements (annual as well as parent only statements) and presented the result as well as any governance issues in person or in writing to the Audit Committee on a quarterly basis, in accordance with the Statement of Auditing Standards No. 39 - "Communication with Those Charged with Governance" and the approved letter with Reference No. Tai Tsai Cheng Liu Tzu 0930105373 issued by SFB on March 11, 2004.

Summary of communication between independent directors and CPAs and Chief Audit Officer in 2024:

Date/Meeting	Attendee	Communication Item	Communication Results
2024/11/6 The 2nd meeting of the 4th Audit Committee	Independent Directors: Chen, Tien-Wen Wei, Yung-Tu Chen, Piao-Chun CPA Chiu, Cheng-Chun Chief Audit Officer Hsu, Liang-Wei	CPA: Reported and communicated the review of the financial statements for the third quarter of 2024 and key audit matters. Chief Audit Officer: 1. Internal audit execution report 2. 2025 annual audit plan report.	No dissenting opinion

2. Participation of Supervisors at the board meeting: Not applicable for the Company has an Audit Committee that replaces the functions of supervisors.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”?	V		The Company has established its “Corporate Governance Best Practice Principles” and complied with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies” to promote the implementation of corporate governance and discloses such information on its own website.	No material discrepancy
II. Shareholding Structure and Shareholders’ Rights				
(I) Has the Company established internal operating procedures for handling matters related to shareholders’ recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	V		The Company has appointed specific personnel to take charge of such matters.	No material discrepancy
(II) Does the Company maintain a list of major shareholders who have actual control over the Company and persons who have ultimate control over the major shareholders?	V		The Company has been maintaining contact with its major shareholders and persons who have ultimate control over the major shareholders.	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
(III) Has the Company established and implemented risk control and firewall mechanisms among its affiliated companies?	V		The Company has established and implemented a system to monitor its subsidiaries.	No material discrepancy
(IV) Has the Company formulated internal regulations that prohibit insiders of the Company from trading marketable securities using undisclosed information in the market?	V		<p>Measures to prevent insider trading</p> <p>The Company conducts annual educational training on the “Internal Material Information Processing Procedures” and related regulations for current directors, managers, and employees. This training is also provided to newly appointed directors, managers, and employees upon their assumption of office.</p> <p>In 2024, a total of 330 individuals, including current directors, managers, and employees, received education and training through online courses and assessments. The total training hours amounted to 330 hours. The detailed course titles and hours are as follows:</p> <p>[Online Course] Case Studies on Insider Trading and Related Legal Responsibilities - 3 Hours</p> <p>[Test Training] Group Employee Code of Conduct Test (Including Insider Trading Prevention) - 1 hour</p> <p>The content includes: regulations on insider trading, definitions and essential elements, an examination of insider trading from the perspective of corporate governance, an introduction to Article 157-1 of the Securities Exchange Act with case studies, and a promotion of the scope of significant information and the procedures for handling such information.</p>	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			<p>Additionally, online course materials and presentations are regularly available on the internal training and learning platform system, allowing all colleagues to view and learn at any time.</p> <p>It is clearly stipulated that directors are prohibited from trading the company's stock during the blackout periods: 30 days prior to the annual financial report announcement and 15 days prior to the quarterly financial report announcement.</p> <p>Implementation Status</p> <ol style="list-style-type: none"> Company Regulations In August 2022, the Board of Directors approved amendments to the Company's "Corporate Governance Best Practice Principles." Subsequently, in November 2022, the Board of Directors approved amendments to the Company's "Procedures for Ethical Management and Guidelines for Conduct." These amendments stipulate that, in addition to complying with the provisions of the Securities and Exchange Act prohibiting insider trading, directors are also prohibited from trading the Company's stock during the blackout periods, which are defined as the 30 days prior to the annual financial report announcement and the 15 days prior to the quarterly financial report announcement. Specific implementation of internal regulations <ul style="list-style-type: none"> Training - Conducting assessments on the training management platform. 	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			<p>Course Title: [Group Employee Code of Conduct Test] - It has been incorporated that directors are prohibited from trading the Company's stock during the closed period prior to the announcement of financial reports.</p> <p>In 2024, a total of 330 individuals participated in the aforementioned training, accumulating a total of 330 training hours.</p> <ul style="list-style-type: none"> Notice: <p>Notice of Reminder Prior to the Blackout Period: A reminder will be sent by the Secretary of the Board of Directors via email to the directors seven days prior to the commencement of each blackout period, with a copy to members of the Shareholder Services Department.</p> <p>Second Reminder Mechanism: Executed by the Shareholder Services team, upon receiving the aforementioned information until the "Financial Report Announcement Date (i.e., the date of the Board of Directors meeting)," if any company director still applies for "Pre-Disclosure of Stock Transfer," an email reminder will be sent to the director at that time regarding the regulations of the closed period (for independent directors, this will be communicated by the Secretary of the Board as per usual practice), and simultaneously to the Deputy Secretary of the Board and the Corporate Governance Supervisor.</p> <p>The Company has implemented the aforementioned regulations in the discussion of financial reports during board meetings, as outlined below:</p>	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			<p>(1) On March 7, 2024, a board meeting was held to discuss the financial report for 2023. The announcement date for the financial report is set for the same day as the board meeting (March 7). Counting backward, the start date for the blackout period is 30 days prior, which means the closed period for trading stocks is from February 6, 2024, to March 7, 2024. On January 26, 2024, the Board Secretary informed all directors that trading of the Company's stock is prohibited during the blackout period.</p> <p>(2) On May 7, 2024, the Board of Directors convened to discuss the financial report for the first quarter of 2024. Since major information regarding the financial report's key data was released on the same day following the board meeting, the date of the board meeting (May 7) is set as the announcement date for the financial report. Counting backward 15 days determines the start date of the closed period, making the stock trading closed period from April 22, 2024, to May 7, 2024. On April 15, 2024, the Secretary of the Board informed all directors by email that trading of the Company's stock is prohibited during blackout periods.</p> <p>(3) On August 5, 2024, the Board of Directors convened to discuss the financial report for the second quarter of 2024. Since major information regarding the financial report's key data was released on the same day following the board meeting, the date of the board meeting (August 5) is set as the announcement date for the financial report. Counting backward 15 days determines the start date of the blackout period, making the stock trading blackout</p>	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			<p>period from July 21, 2024, to August 5, 2024. On July 10, 2024, the Secretary of the Board informed all directors by email that trading of the Company's stock is prohibited during the blackout period.</p> <p>(4) On November 6, 2024, the Board of Directors convened to discuss the financial report for the third quarter of 2024. Since major information regarding the financial report's key data was released on the same day following the board meeting, the date of the board meeting (November 6) is set as the announcement date for the financial report. Counting backward 15 days determines the start date of the blackout period, making the stock trading blackout period from October 22, 2024, to November 6, 2024. On October 14, 2024, the Secretary of the Board informed all directors by email that trading of the Company's stock is prohibited during the blackout period.</p> <p>In 2024, the Company's directors did not report any stock transfer activities during the blackout period.</p>	
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors drawn up policies on diversity of its members and implemented them?	V		I. The diversity policy of board members According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			<p>governance, the Board of Directors shall possess the following abilities:</p> <ul style="list-style-type: none"> (I) Ability to make sound business judgment. (II) Ability to conduct accounting and financial analysis. (III) Business management ability. (IV) Crisis management ability. (V) Knowledge of the industry. (VI) An understanding of international markets. (VII) Leadership skills. (VIII) Decision-making ability. <p>In addition to the eight competencies listed above, the Company added legal and environmental capabilities to the list in light of growing global attention on corporate governance issues and environmental protection, as well as the pressing need for diversified professional skillsets in the Board. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets and environmental protection.</p> <p>II. Specific Management Objectives for Diversity of Board Members The current Board of Directors was appointed on May 31, 2024, consisting of 9 members, including 4 independent directors and 5 representatives of legal entities. Currently, the Board of Directors of the Company has two female directors, which does not meet the one-third requirement of the total seats. The primary reason for this is that,</p>	

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	Yes	No	Overview																																																																																																																		
			<p>due to the characteristics of our industry, there is a scarcity of women with substantial industry experience, making it difficult to achieve the one-third standard for board seats in the short term. In the future, additional female director positions that meet regulatory standards will be established in accordance with legal provisions. Furthermore, when selecting candidates for the Board of Directors, various considerations will be taken into account to identify suitable talents from different fields, thereby achieving the goal of board diversity. Additionally, in response to the growing global emphasis on corporate sustainability, the Company plans to increase the number of board members from relevant fields. This initiative aims to enhance the Company's sustainable competitiveness and further improve the functionality of the Board of Directors.</p> <p>III. Implementation of diversification of board members For details on the diversity of Board please refer to the table below. Please take note that Ma, Yi-Kung and Pi, Shu-Chien are female Directors.</p> <table border="1"> <thead> <tr> <th rowspan="2">Names of Director</th> <th rowspan="2">Gender</th> <th colspan="10">Core Competence</th> </tr> <tr> <th>Business judgment</th> <th>Accounting and finance</th> <th>Business management</th> <th>Crisis management</th> <th>Knowledge of the industry</th> <th>International markets</th> <th>Leadership</th> <th>Decision-making abilities</th> <th>Law</th> <th>Environmental protection</th> </tr> </thead> <tbody> <tr> <td>Quintin Wu</td> <td>Male</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> </tr> <tr> <td>Ma, I-Kung</td> <td>Female</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td></td> <td></td> <td></td> <td>√</td> <td></td> <td>√</td> </tr> <tr> <td>Wu, Pei-Chi</td> <td>Male</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> </tr> <tr> <td>Ying, Bao-Luo</td> <td>Male</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> </tr> <tr> <td>Pi, Shu-Chien</td> <td>Female</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> </tr> <tr> <td>Chen, Tien-Wen</td> <td>Male</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> </tr> <tr> <td>Wei, Yung-</td> <td>Male</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> </tr> </tbody> </table>								Names of Director	Gender	Core Competence										Business judgment	Accounting and finance	Business management	Crisis management	Knowledge of the industry	International markets	Leadership	Decision-making abilities	Law	Environmental protection	Quintin Wu	Male	√	√	√	√	√	√	√	√			Ma, I-Kung	Female	√	√		√				√		√	Wu, Pei-Chi	Male	√		√	√	√	√	√	√			Ying, Bao-Luo	Male	√		√	√	√	√	√	√		√	Pi, Shu-Chien	Female	√	√	√	√	√	√	√	√			Chen, Tien-Wen	Male	√	√	√	√		√	√	√			Wei, Yung-	Male	√	√	√	√	√	√	√	√			
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Evaluation Item	Implementation Status (Note)												Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview										
(II) Has the Company voluntarily established functional committees other than the Remuneration Committee and Audit Committee that are	V		Tu										
			Li, Kuo-Hsiang	Male	V	V	V	V		V	V	V	
			Chen, Piao-Chun	Male	V	V	V	V			V	V	
			※ The members of the Board of Directors of the Company are all Taiwanese citizens, including 4 independent directors, accounting for 44%; 2 directors with employee status, accounting for 22%. The age distribution of the directors is one director aged 51-60, two directors aged 61-70, and six directors aged 71-80. None of the directors of the Company have a spouse or relation within the second degree of kinship.										
			※ Reasons for the continued nomination of independent directors who have served three terms: Mr. Chen, Tien-Wen possesses extensive practical experience and expertise in the fields of finance, corporate management, and sustainable development, which greatly benefit Taita Chemical Co., Ltd. in financial planning, risk management, and energy conservation and carbon reduction Although having served three consecutive terms as an independent director of Taita Chemical, he has consistently demonstrated professional independence in his judgments and provided constructive suggestions in both functional committees and the Board of Directors. Therefore, it is proposed to continue nominating him as an independent director in this election.										
			The Company has established a remuneration committee and an audit committee, which exercise their authority in accordance with the Remuneration Committee Charter and the Audit Committee Charter respectively with favorable performance. The Company has voluntarily established a ESG Committee which exercises its authority in accordance										No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
<p>established in accordance with the law?</p> <p>(III) Does the Company formulate the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual Directors' remuneration and nomination and renewal?</p>	V		<p>with the ESG Committee Charter with favorable performance.</p> <p>I. Performance evaluation results of the Board of Directors and individual members</p> <ol style="list-style-type: none"> 1. In accordance with the "Regulations Governing the Evaluation of the Performance of the Board of Directors" amended and approved by the Board of Directors in November 2023, the Company plans to conduct the performance evaluation of the Board of Directors as a whole and individual Directors at the end of each year. 2. The performance assessment of the Board of Directors as a whole and individual directors is performed by the Secretariat of the Board using internal self-assessment. The results of the performance evaluation will be used as a reference for the Company's review and improvement, as well as for the remuneration of individual directors and their nomination and renewal. 3. The Company completed the performance evaluation of the Board of Directors in January 2025 for the evaluation period from January 1 to December 31, 2024. The below is the evaluation results: 	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons														
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			<div>(1) Performance of the Board of Directors</div> <table><thead><tr><th>Aspect</th><th>Score (Note)</th><th>Evaluation results and supplementary notes</th></tr></thead><tbody><tr><td>Degree of participation in the Company's operations</td><td>4.75</td><td rowspan="5">1. According to the overall evaluation results of the Board of Directors, the average score of the five aspects is above 4.6, and the evaluation results are good. 2. The uncertainty of global inflation continues to introduce variables into interest rate reduction policies. Additionally, the international situation remains overshadowed by economic turmoil caused by geopolitical conflicts, climate change, and political struggles, posing severe challenges to the Company's operations. In response to the increasingly complex business environment and environmental regulations, the Company will place greater emphasis on risk management, building operational resilience, and diversifying its operations. Additionally, it will continue to actively reduce carbon emissions and promote green transformation to achieve sustainable business practices. The Board of Directors and the management team will closely monitor the challenges faced by the Company, seize market opportunities, and jointly promote the Company's steady development.</td></tr><tr><td>Improvement in the quality of decision-making of the Board of Directors</td><td>5</td></tr><tr><td>Composition and structure of the Board of Directors</td><td>5</td></tr><tr><td>Election and continuous education of directors</td><td>4.67</td></tr><tr><td>Internal control</td><td>5</td></tr></tbody></table> <div>Note: Evaluation scores are given on a scale of 0 to 5, with 5 being the highest score.</div>	Aspect	Score (Note)	Evaluation results and supplementary notes	Degree of participation in the Company's operations	4.75	1. According to the overall evaluation results of the Board of Directors, the average score of the five aspects is above 4.6, and the evaluation results are good. 2. The uncertainty of global inflation continues to introduce variables into interest rate reduction policies. Additionally, the international situation remains overshadowed by economic turmoil caused by geopolitical conflicts, climate change, and political struggles, posing severe challenges to the Company's operations. In response to the increasingly complex business environment and environmental regulations, the Company will place greater emphasis on risk management, building operational resilience, and diversifying its operations. Additionally, it will continue to actively reduce carbon emissions and promote green transformation to achieve sustainable business practices. The Board of Directors and the management team will closely monitor the challenges faced by the Company, seize market opportunities, and jointly promote the Company's steady development.	Improvement in the quality of decision-making of the Board of Directors	5	Composition and structure of the Board of Directors	5	Election and continuous education of directors	4.67	Internal control	5	
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Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons																
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			<div>(2) Performance of individual directors<table><thead><tr><th>Aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr></thead><tbody><tr><td>Mastery of company objectives and tasks.</td><td>4.70</td><td rowspan="6">The Directors score favorably on all six aspects with an average score of 4.5.</td></tr><tr><td>Understanding of the director's roles and responsibilities</td><td>4.79</td></tr><tr><td>Degree of participation in the Company's operations</td><td>4.57</td></tr><tr><td>Internal relationship management and communication</td><td>4.61</td></tr><tr><td>Expertise and continuing education of the directors</td><td>4.67</td></tr><tr><td>Internal control</td><td>4.74</td></tr></tbody></table><p>Note: Evaluation scores are given on a scale of 0 to 5, with 5 being the highest score.</p><p>4. The results of performance evaluation for the Board of Directors as a whole and board members were reported to the Board of Directors meeting in 1Q 2025.</p></div>	Aspect	Score (Note)	Evaluation results	Mastery of company objectives and tasks.	4.70	The Directors score favorably on all six aspects with an average score of 4.5.	Understanding of the director's roles and responsibilities	4.79	Degree of participation in the Company's operations	4.57	Internal relationship management and communication	4.61	Expertise and continuing education of the directors	4.67	Internal control	4.74	
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Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons														
	Yes	No	Overview															
			<div>II. Performance Evaluation for the Audit Committee, Compensation Committee, and ESG Committee</div> <div>1. The Company completed the performance evaluation of the Board of Directors in January 2025 for the evaluation period from January 1 to December 31, 2024. The below is the evaluation results:</div> <div>(1) Audit Committee’s performance</div> <table><tr><th>Aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr><tr><td>Degree of participation in the Company’s operations</td><td>4.63</td><td rowspan="5">According to the Audit Committee’s self-evaluation results, the average score of the five aspects is above 4.6, and the overall evaluation result is good.</td></tr><tr><td>Understanding of duties of the Audit Committee</td><td>4.75</td></tr><tr><td>Improvement of the decision-making quality of the Audit Committee</td><td>4.75</td></tr><tr><td>Composition of the Audit Committee and selection of committee members</td><td>4.75</td></tr><tr><td>Internal control</td><td>4.75</td></tr></table> <div>Note: Evaluation scores are given on a scale of 0 to 5, with 5 being the highest score.</div>	Aspect	Score (Note)	Evaluation results	Degree of participation in the Company’s operations	4.63	According to the Audit Committee’s self-evaluation results, the average score of the five aspects is above 4.6, and the overall evaluation result is good.	Understanding of duties of the Audit Committee	4.75	Improvement of the decision-making quality of the Audit Committee	4.75	Composition of the Audit Committee and selection of committee members	4.75	Internal control	4.75	
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Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons																						
	Yes	No	Overview																							
			<div> <div>(2) Remuneration Committee’s performance</div> <table> <tr> <th>Aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> <tr> <td>Degree of participation in the Company’s operations</td> <td>4.58</td> <td rowspan="4">The Remuneration Committee scores favorably on all four aspects with an average score of 4.5.</td> </tr> <tr> <td>Understanding of the Remuneration Committee’s roles and responsibilities</td> <td>4.60</td> </tr> <tr> <td>Improvement in the Remuneration Committee’s decision-making quality</td> <td>4.62</td> </tr> <tr> <td>Composition and member selection of the Remuneration Committee</td> <td>4.67</td> </tr> </table> <div>Note: Evaluation scores are given on a scale of 0 to 5, with 5 being the highest score.</div> <div>(3) ESG Committee’s performance</div> <table> <tr> <th>Aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> <tr> <td>Degree of participation in the Company’s operations</td> <td>4.75</td> <td rowspan="3">According to the self-evaluation results of the ESG Committee, the average score of the four</td> </tr> <tr> <td>Understanding of the ESG Committee’s roles and responsibilities</td> <td>4.80</td> </tr> <tr> <td>Improvement in the ESG</td> <td>4.80</td> </tr> </table> </div>	Aspect	Score (Note)	Evaluation results	Degree of participation in the Company’s operations	4.58	The Remuneration Committee scores favorably on all four aspects with an average score of 4.5.	Understanding of the Remuneration Committee’s roles and responsibilities	4.60	Improvement in the Remuneration Committee’s decision-making quality	4.62	Composition and member selection of the Remuneration Committee	4.67	Aspect	Score (Note)	Evaluation results	Degree of participation in the Company’s operations	4.75	According to the self-evaluation results of the ESG Committee, the average score of the four	Understanding of the ESG Committee’s roles and responsibilities	4.80	Improvement in the ESG	4.80	
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Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons					
	Yes	No	Overview						
(IV) Does the Company regularly evaluate the independence of the CPAs?	V		<table><tr><td>Committee’s decision-making quality</td><td></td><td rowspan="2">major aspects is above 4.7, and the overall evaluation result is good.</td></tr><tr><td>Composition and member selection of the ESG Committee</td><td>4.80</td></tr></table> <p>Note: Evaluation scores are given on a scale of 0 to 5, with 5 being the highest score.</p> <p>2. Results of the performance evaluation of functional committees, presented to the Board of Directors in the first quarter of 2025.</p> <p>The Audit Committee of the Company evaluates the independence and competency of its CPAs, and requires the CPA audit member group to, in addition to providing the Declaration of Independence and the Audit Quality Indicators (AQIs), evaluate according to the standards in the table below and the five dimensions of AQIs (including 13 indicators):</p> <p>1. As of the most recent assurance operation, no CPA has yet to be replaced for seven (7) years.</p> <p>2. The CPA does not have significant financial interest in his/her trustor.</p> <p>3. The CPA avoids any inappropriate relationship with his/her trustor.</p> <p>4. The CPA shall ensure that his/her assistants are honest, fair and independent.</p> <p>5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before practicing.</p> <p>6. The CPA may not permit others to practice under his/her name.</p>	Committee’s decision-making quality		major aspects is above 4.7, and the overall evaluation result is good.	Composition and member selection of the ESG Committee	4.80	No material discrepancy
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Composition and member selection of the ESG Committee	4.80								

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			<p>7. The CPA does not own any shares of the Company and its affiliated companies.</p> <p>8. The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies.</p> <p>9. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.</p> <p>10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.</p> <p>11. The CPA is not involved in the decision-making process of the Company and its affiliated companies.</p> <p>12. The CPA does not concurrently engage in other businesses that may lead to loss of independence.</p> <p>13. The CPA does not have a spouse, immediate family members or relatives within the second degree of kinship who serve in the senior management of the Company.</p> <p>14. The CPA has not collected any commission related to his/her service.</p> <p>15. As of now, the CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence.</p> <p>It is confirmed that there is no other financial interest and business relationship with the Company except for the audit fee, financial and tax expenditures and that their family members do not violate the independence requirements, and by referring to the AQI index information, it is confirmed that the audit experience meets the level and the number of training hours of</p>	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			the CPAs and the CPA firm is better than the average level of the industry. In addition, we will introduce audit innovation tools, expand audit support center and introduce cloud audit platform to improve audit quality. The results of the latest annual assessment were discussed and approved by the Audit Committee on March 5, 2025, and were submitted to the Board of Directors for resolution on the independence and competency assessment of the CPAs on the same day.	
IV. Has the TWSE/TPEX listed company designated an appropriate number of qualified corporate governance personnel and appointed a corporate governance officer responsible for matters related to corporate governance(including but not limited to providing directors and supervisors with the necessary information for operation,assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, preparing minutes for Board	V		In order to safeguard the interests of the shareholders and strengthen the functions of the Board of Directors, the Company has appointed Chen, Yung-Chih, Head of Legal Division, as the Corporate Governance Officer, the top-level manager in charge of corporate governance, as approved by the Board of Directors on May 9, 2019. Corporate Governance Officer Chen, Yung-Chih has over 20 years of experience as a practicing lawyer and has held the position of head of a legal unit in a listed company for over ten years. His main duties are to handle matters related to Board of Directors meetings and the shareholders' meetings in accordance with the laws, prepare minutes of the said meetings, assist Directors with their appointment and continuing education, provide information required by the Directors to perform their duties, assist them with compliance, report the examination results of independent directors' qualifications to the Board of Directors during nomination, appointment, and tenure, and managing matters related to changes in the Board of Directors. Key business activities in 2024:	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
meetings and the shareholders' meetings, etc.)?			<p>1. Assisted Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies.</p> <p>(1) Compile the latest laws and regulations related to the business areas and corporate governance of the Company, put them forward at the Board of Directors meeting for discussion, and keep members of the Board informed accordingly from time to time.</p> <p>(2) Assist Directors, upon request, in understanding the regulations to be complied with in the execution of their business.</p> <p>(3) Provide corporate information required by the Directors and assist them with communication and interaction with supervisors in various business categories.</p> <p>(4) Assist Independent Directors in arranging meetings with the chief internal auditor or CPAs to understand the financial and business needs of the Company.</p> <p>(5) Assisted the Company in arranging at least 6 hours of continuing education courses for members of the Board of Directors.</p> <p>(6) Confirm that the Company has purchased the "Directors and Supervisors and Important Staff Liability Insurance" for the members of the Board and reported to the Board of Directors.</p>	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			<p>2. Handle matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirmed compliance matters of resolutions.</p> <p>(1) Prepare notice and agenda of Board of Directors meetings in accordance with laws; where Directors have to recuse themselves from the agenda items, they shall be reminded beforehand; the minutes shall be prepared within the statutory period.</p> <p>(2) Registered the date of the shareholders' meeting in advance according to the law and prepared the meeting notice, handbook, and meeting minutes within the statutory time limit.</p> <p>(3) Confirm that the convening of the Board of Directors' meetings and shareholders' meetings, procedures for resolutions, and minutes of the said meetings are in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles.</p> <p>(4) Handling matters related to the registration changes for the Board of Directors and Shareholders' Meetings.</p> <p>3. Confirmation of Independent Director Qualifications and Handling of Director Changes:</p> <p>(1) Ensure that the qualifications of independent directors align with applicable laws and regulations throughout the nomination, appointment, and tenure processes, and provide the Board of Directors with a report on the review outcomes.</p> <p>(2) In relation to any changes in the Board of Directors, all relevant matters will be managed in accordance with the law.</p>	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons										
	Yes	No	Overview											
			<p>4. Maintain investor relations: The Company's website is updated from time to time to keep investors abreast of the Company's financial, business, and corporate governance information in order to protect shareholders' rights and interests. Directors' continuing education in 2024 is as follows: Pursuant to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," a listed company shall arrange continuing professional education for its corporate governance officer. The Corporate Governance Officer shall receive at least 12 hours of continuing education each year, except for at least 18 hours within one year for the first term commencing from the date of his/her appointment. In 2024, Mr. Chen, Yung-Chih, the corporate governance officer of the Company, has completed 23 hours of further study after taking office. The details are as follows:</p> <table> <tr> <th>Date</th><th>Organizer</th><th>Course Title</th><th>Hours</th><th>Total Hours of Annual Training</th></tr> <tr> <td>2024/4/30</td><td>BCSD Taiwan</td><td>Sustainability Knowledge Empowerment (Non-Electronics Industry): Building a New Carbon Era Through Sustainability Awareness</td><td>6</td><td>23</td></tr> </table>	Date	Organizer	Course Title	Hours	Total Hours of Annual Training	2024/4/30	BCSD Taiwan	Sustainability Knowledge Empowerment (Non-Electronics Industry): Building a New Carbon Era Through Sustainability Awareness	6	23	
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2024/4/30	BCSD Taiwan	Sustainability Knowledge Empowerment (Non-Electronics Industry): Building a New Carbon Era Through Sustainability Awareness	6	23										

Evaluation Item	Implementation Status (Note)							Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons	
	Yes	No	Overview						
				2024/9/20	Securities & Futures Institute	2024 Insider Trading Prevention Seminar	3		
				113/10/7	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2024 Taishin Net Zero Summit	3		
				2024/10/16	Securities & Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3		
				2024/10/24	Taiwan Institute for Sustainable Energy	38th TCCS Council Meeting and CEO Lecture	2		
				2024/11/22	Securities & Futures Institute	2024 Insider Shareholding Trading Compliance Seminar	3		
				2024/12/25	Securities & Futures Institute	Expanding Asia’s Asset Management Landscape Using Derivatives for Listed Companies	3		
V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and	V		The Company has established a sustainability development website that includes a stakeholder section. This section provides information on stakeholder engagement, contact details for various stakeholder communication units, as well as categories of core stakeholders, issues of concern, and response methods. On March 7, 2024, the ESG Committee						No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
suppliers), dedicated a section of the Company's website for stakeholder affairs, and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?			reported the results of the 2023 stakeholder engagement to the Board of Directors, detailing the methods and frequency of stakeholder communication, issues of concern, communication effectiveness, and response outcomes.	
VI. Has the Company commissioned a professional shareholder services agency to handle Shareholders' Meetings and other relevant affairs?		V	The Company takes charge of its own shareholder services and handles matters related to shareholders' meetings in accordance with the law.	The Company manages its own securities services to ensure quality and efficiency.
VII. Information disclosure (I) Has the Company established a website to disclose information on financial operations and corporate governance?	V		The Company has set up a website and regularly discloses company information.	No material discrepancy
(II) Does the Company adopt other means of information disclosure (such as establishing an English language website, delegating a	V		The Company has appointed specific personnel in charge of the collection and disclosure of company information and has implemented a spokesperson system.	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
professional to collect and disclose company information, implement a spokesperson system, and disclosing the process of investor conferences on the Company website)? (III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?		V	The Company has not published and disclosed its annual financial reports within two months after the end of the fiscal year. However, the Company has published and disclosed its quarterly financial reports, monthly revenues, and information on endorsements and guarantees before the statutory deadlines.	No material discrepancy
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training records,	V		(I) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides annual health checkups, sports and fitness equipment, organizes various outdoor recreational activities and talks on mental, emotional and spiritual health, and purchases group insurance. In addition, employees volunteered to organize the Employee Assistance Program Center (EAPC) that assists employees in solving problems relating to work, life, and mental health.	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by Directors and Supervisors)?			<p>(II) The Company has always been committed to the principle of equal opportunities and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation.</p> <p>(III) With regard to the promotion of environmental protection, occupational safety and health management system, and process safety management (PSM) system, the Company not only complies with the domestic laws and regulations, but strives to meet internationally recognized standards. The Company has successfully obtained ISO-9000, ISO-14001, ISO-45001, and ISO-500001 certifications and will continue to push for further certifications. To enhance self-GHG accounting capability, the Company has implemented the Group Safety and Health Partners Regional Joint Rescue system and actively participates in events organized by Linyuan Industrial Park's Safety and Health Promotion Association.</p> <p>(IV) The Company actively attends activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, participates in community events, and cares for product protection in order to create a better living environment. Additionally, the Company also helps contractors by building a safe and health-conscious environmental management system to ensure safety at work.</p>	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			<p>(V) The Company has formulated “Risk Management Policies and Procedures”, which include risk management policies, organization, processes, risk management categories and mechanisms, so as to effectively manage risk arising from the Company’s operations, including measurement of risk exposure as well as internal control system, clear policies around authorization of risk tolerance limit, strong internal audit for effective management of risk, and disclosure of risk in the annual report. The operation of risk management is reported to the Board of Directors at least once a year by the General Manager or a designated representative. Relevant matters were included in the Board of Directors’ report on November 6, 2024.</p> <p>(VI) The Company has established the intellectual property rights management system in order to strengthen the Company’s competitive edge in the industry by offering high value-added products and services to achieve higher profitability.</p> <p>(VII) The Company has established a spokesperson’s function to respond to all shareholder questions. The spokesperson serves as the bridge between the Company and shareholders, and maintains close contact with major shareholders.</p> <p>(VIII) Implementation of consumer protection or customer protection policies: The Company has a quality policy, which aims to improve the quality of products and services, and continues to work hard to improve customer satisfaction. The Company also maintains good relationships with suppliers based on the principles of good faith and mutual benefits.</p>	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Overview	
			<p>(IX) The Company promotes continuing education of its directors through offering internal training courses from time to time, providing Directors with continuing education information, and inviting Directors to take courses on corporate governance.</p> <p>(X) The Company has purchased liability insurance for its directors and supervisors</p>	
<p>IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved. (Leave blank if the Company was not evaluated):</p> <p>Improvements:</p> <p>In fiscal 113, there were no issues or measures that have not been improved or prioritised for strengthening.</p>				

Regardless of whether “Yes” or “No” is selected, provide a brief description in the Summary column.



(IV) If the Company has set up a Remuneration Committee, the composition, responsibilities and operations of the Committee shall be disclosed

1. Information on the members of the Remuneration Committee

December 31, 2024

Criteria Title (Note 1) Name		Professional Qualifications and Experiences (Note 2)	Status of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (Convener)	Wei, Yung-Tu	Formerly the President of Deloitte Taiwan, CPA, with professional experience in accounting and finance.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	2
Independent Director	Chen, Tien-Wen	Formerly the Chairman of affiliates of the Capital Group and now the Chairman of Chia Shih Construction Co., Ltd., with expertise in corporate operations management.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	2
Independent Director	Li, Kuo-Hsiang	Chairman of Taiwan Shiseido, experienced in business operation and management.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	0

Note 1: Please specify in the form the relevant working years, professional qualifications and experience and independence of the members of the Remuneration Committee. If they are independent directors, please indicate to refer to Schedule 1 on page OO and the Directors and Supervisors (I) for details. Fill "Director," "Independent Director," or "Others" in the Title column (specify in case of convener).

- Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual Compensation Committee members.
- Note 3: Circumstances conforming to the independence: The independent director shall state the circumstances conforming to the independence, including but not limited to whether he/she, his/her spouse or his/her second relative are directors, supervisors or employees of the Company or its related enterprises; the number and proportion of shares held by himself, his spouse or his second-degree relatives (or in the name of others); whether he/she serves as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to Sub-paragraphs 5 to 8, Paragraph 1, Article 6 of the Regulations on the Establishment and Exercise of Powers of the Compensation and Remuneration Committee of Companies Listed in Stocks or Trading at the Business Office of Securities Firms); the amount of remuneration obtained by providing the Company or its affiliates with business, legal, financial, accounting and other services in the last two years.
- Note 4: For disclosure, please refer to the best practice examples on the Taiwan Securities Exchange.



2. Responsibilities

The Remuneration Committee shall exercise the care of a good administrator to faithfully fulfill the following functions and powers, and submit the recommendations to the Board of Directors for deliberation:

- (1) Regularly review the Committee's charter and propose recommendations to amend it when necessary.
- (2) Establishing and regularly reviewing the BOD and upper management's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure.
- (3) Regular evaluation and stipulation on the remuneration of directors and managers.

3. Operations of the Remuneration Committee:

- (1) The Company's Remuneration Committee consists of three (3) members.
- (2) Term of office of the current members: June 5, 2024 to May 30, 2027. The Remuneration Committee convened three (3) meetings (A) in the most recent year. The qualification and attendance of members are as follows:

year. The qualification and attendance of members are as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of attendance in person (%) (B/A) (Note)	Notes
Convener	Wei, Yung-Tu	3	0	100%	Reappointed following the end of the Board's term on June 5, 2024.
Committee Member	Chen, Tien-Wen	3	0	100%	
Committee Member	Li, Kuo-Hsiang	2	1	67%	
I. If the Board of Directors rejects or amends the suggestions of the Remuneration Committee, it should state the date of the Board Meeting, the term of the fiscal year, the content of the proposal, and resolution of the Board Meeting and the follow-up treatments (e.g., if the resolution of the Board Meeting states that the amount of remuneration is higher than that of the suggestions from the Remuneration Committee, the Board should specify the difference in number and the reason behind the resolution): None.					
II. Resolutions of the Remuneration Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None					

Note:

- (1) Where an member of the Remuneration Committee resigns before the end of the fiscal year, the "Remarks" column shall state the member's resignation date, whereas his/her rate of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

- (2) If members of the Remuneration Committee are re-elected before the end of the fiscal year, incoming and outgoing members shall be listed accordingly, and the Remark column shall indicate whether the status of a member is “outgoing”, “incoming” or “re-elected”, and the date of re-election. The rate of attendance in person (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

Remuneration Committee	Resolution and Follow-up Actions	Dissenting opinions or qualified opinions of members of the Remuneration Committee
5th term 9th meeting 2024.3.7	1. Report on the Distribution of Compensation for Directors and Employees for 2023.	None
	2. Proposal for the 2023 special bonus for managerial officers.	None
	3. Reviewed the remuneration of the Directors and managers and the performance appraisal system.	None
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	Company's response to the Remuneration Committee's opinions: Relevant actions are carried out in accordance with the resolutions.	
6th term 1st meeting 2024.8.6	1. The Company's annual salary adjustment.	None
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	Company's response to the Remuneration Committee's opinions: Relevant actions are carried out in accordance with the resolutions.	
6th term 2nd meeting 2024.11.6	1. Review of the Company's Remuneration Committee Charter.	None
	2. Establish the work plan of the Committee for 2025	None
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	Company's response to the Remuneration Committee's opinions: Relevant actions are carried out in accordance with the resolutions.	

(V) Implementation of the promotion of sustainable development and the differences and reasons from the Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
I. Does the Company establish a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision of the Board of Directors ?	V		<p>(I) In April 30, 2015, to enhance corporate governance, the Company approved to upgrade the status of the Corporate Social Responsibility Committee to the functional committee of the Board of Directors on December 22nd, 2017. The Company has also formulated the “Corporate Social Responsibility Charter” in accordance with Article 23-3 of the Company’s Articles of Incorporation and Article 26 of the Regulations for Corporate Governance, which is to be complied with by this committee. On March 9, 2022, the Company renamed its “Corporate Social Responsibility Committee” to “ESG Committee”, and the “Organizational Rules of Corporate Social Responsibility Committee” to the “ESG Committee Charter”. The Committee is composed of the chairman, general manager and two independent directors, of which the chairman is an independent director and the deputy chairman is the general manager. The Committee has three working groups, namely, corporate governance, environmental protection and social relations, and an project secretary. The working groups are composed of representatives of relevant departments and are responsible for promoting sustainable development. The Project Secretary is responsible for integrating the working groups and reporting the annual plan and implementation results to the Committee. After the annual plan and execution results have been presented to the committee, they will be submitted to the Board of Directors.</p> <p>(II) The ESG Committee has the following main functions:</p> <ol style="list-style-type: none"> 1. Agreement of sustainable development policies. 	Compliant with the requirements of the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies.”

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
			<ol style="list-style-type: none"> 2. Agreement of sustainable development strategic plans, annual plans and project plans. 3. Supervising the implementation of sustainable development strategic plans, annual plans and project plans, and evaluation of their implementation. 4. Approval of the Sustainability Report. 5. Report the implementation of sustainable development activities to the Board of Directors each year. 6. Other matters handled by the Committee according to the instruction by the resolution of the Board of Directors. <p>(III) The Committee reports the implementation of sustainable development to the Board of Directors at least twice a year. Two meetings of the ESG Committee were held on March 7, 2024, and August 6, 2024, during which reports were presented to the Board of Directors. The reports included the annual core stakeholder concerns, communication channels, and actual implementation status. The content of the proposals included:</p> <ol style="list-style-type: none"> 1. GHG accounting and verification 2. Results of stakeholder engagement, including stakeholder identities, key concerns, communication channels, and response methods. 3. Results of sustainable development implementation and future promotion goals. 4. Progress and planning of the sustainability report. <p>Relevant proposals are reviewed and approved by the ESG Committee before being reported to the Board of Directors.</p> <p>(IV) Supervision by the Board of Directors</p>	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
			The Board of Directors oversees and reviews the management, strategies, and goals related to governance, environment, and social (ESG) aspects. It also evaluates the progress and performance and reviews and approves the ESG report, while providing guidance on strategies and directions for important key issues.	
II. Has the Company conducted risk assessments related to environmental, social, and corporate governance (ESG) issues relevant to its operations, in accordance with the materiality principle, and established related risk management policies or strategies? (Note 2)	V		The disclosed data and risk assessment boundaries encompass the sustainability performance of the consolidated company from January 2024 to December 2024. For a long time, the Company has complied with the relevant laws and regulations of the competent authorities, formulated the operation standard of each risk management unit for the risk assessment of major issues related to the environment, society and corporate governance, so as to carry out risk control in daily operations, and to cope with short-term, medium-term and long-term risks, such as operational risks, regulatory risks, climate change and environmental risks, disaster and accident risks and financial risks. In December 2020, in order to strengthen corporate governance, the Audit Committee and the Board of Directors passed the “Measures for Risk Management Policies and Procedures”. The Company’s risk management process includes risk identification, risk measurement, risk monitoring, risk reporting and disclosure, and risk response. The risk management operation situation includes how to respond to COVID-19, strengthen information security, reduce industrial safety risks and legal compliance risks, etc. The identification and measurement of operational risks have been completed one after another, and the effective supervision and control of risks are within an affordable range. In order to effectively implement the risk management mechanism, the Company was jointly promoted by the Board of Directors, the Audit Committee, the persons responsible for the daily affairs of each risk management unit, the auditors, the risk management units and the subsidiaries to identify, measure and control risks according to the work scope of	Compliant with the requirements of the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies.”

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies										
	Yes	No	Overview											
			<p>each risk management unit. Every year, the Company regularly identifies, measures and controls risks according to the work scope of each risk management unit. The Company currently assigns units responsible for execution of specific items or management of important risks to assess and formulate response strategies. The Audit Office shall regularly follow up on results of the plans and report the internal control self-assessment results to the Committee for prompt corrections and improvements to implement the PDCA management cycle and enhance risk management.</p> <p>The Company’s Risk Management Policy or Strategy:</p> <table> <tr> <th>Material Issues</th> <th>Risk Assessment Item</th> <th>Risk Management Policy or Strategy</th> </tr> <tr> <td rowspan="3">Environment</td> <td>Management of the environment</td> <td>Establish environmental protection impact and grievance channels</td> </tr> <tr> <td>Environmental protection</td> <td>Produce in accordance with the requirements of laws and regulations, improve water resource efficiency, reduce air pollutant emissions, and promote waste reduction and material circulation projects</td> </tr> <tr> <td>Climate change</td> <td>Established the Group’s Green Power Team to set a carbon reduction target for 2030 and a long-term carbon neutrality target for 2050. Formulate and promote various energy-saving and carbon reduction plans in the factory area</td> </tr> </table>	Material Issues	Risk Assessment Item	Risk Management Policy or Strategy	Environment	Management of the environment	Establish environmental protection impact and grievance channels	Environmental protection	Produce in accordance with the requirements of laws and regulations, improve water resource efficiency, reduce air pollutant emissions, and promote waste reduction and material circulation projects	Climate change	Established the Group’s Green Power Team to set a carbon reduction target for 2030 and a long-term carbon neutrality target for 2050. Formulate and promote various energy-saving and carbon reduction plans in the factory area	
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			<table><tr><td rowspan="3">Society</td><td>Employee welfare</td><td>Provide employees with welfare measures and a safe and healthy work environment</td></tr><tr><td>Social responsibility</td><td>Sponsor and participate community welfare activities</td></tr><tr><td>Product responsibility</td><td>Establish MSDS for products as guidance for customers’ use Require suppliers to jointly abide by environmental protection and occupational safety and health policies</td></tr><tr><td rowspan="3">Corporate Governance</td><td>Shareholder equity</td><td>The Company assigns dedicated personnel to handle its shares-related affairs to ensure quality and efficiency.</td></tr><tr><td>Stakeholders</td><td>Set up stakeholder areas and respond to issues of concern to stakeholders</td></tr><tr><td>Information disclosure</td><td>Appoint a spokesperson system to disclose financial and non-financial information on the Company’s website</td></tr></table>	Society	Employee welfare	Provide employees with welfare measures and a safe and healthy work environment	Social responsibility	Sponsor and participate community welfare activities	Product responsibility	Establish MSDS for products as guidance for customers’ use Require suppliers to jointly abide by environmental protection and occupational safety and health policies	Corporate Governance	Shareholder equity	The Company assigns dedicated personnel to handle its shares-related affairs to ensure quality and efficiency.	Stakeholders	Set up stakeholder areas and respond to issues of concern to stakeholders	Information disclosure	Appoint a spokesperson system to disclose financial and non-financial information on the Company’s website	
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III. Environmental issues (I) Has the Company established a suitable environmental management system based on its industrial characteristics?	V		(I) 1. The Company belongs to petrochemical materials industry. According to the laws and regulations such as air pollution prevention and control law, water pollution prevention and control law, waste cleaning law, management measures for toxic and concerned chemicals, etc., and by introducing the ISO 14001 environmental management system, the Company has established appropriate safety management and environmental management systems for raw materials, production, products, transportation, pollution prevention and	Compliant with the requirements of the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies.”														

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			control, etc., so as to comply with the laws, regulations and policies of the government. 2. The Company has passed the ISO 14001 Environmental Management System certification (valid from October 2022 to October 2025), the scope of which includes, for example, the external and internal issues related to the performance of its business, the needs and expectations of workers and stakeholders, and accordingly defines the Company’s environmental policy and confirms its objectives and commitments to its environmental management system.	
(II) Does the Company endeavor to improve energy efficiency and use renewable materials that have low impact on the environment?	V		(II) 1. In 2020, the Company began to promote the introduction of ISO 50001 (valid from November 2023 to November 2026), an energy management system, with the standards and methods adopted by the Energy Management Manual as the guiding principle of the energy management system, so as to ensure the effective operation of the energy system, and continue to promote energy conservation and carbon reduction projects to achieve the Company’s energy policies and objectives.	
			2. Each plant has the goal of setting the energy consumption per unit product according to the product category. The base year data of 2017 are: 2.06GJ/ ton products of Linyuan Plant, 1.21GJ/ ton products of Cianjhen Plant, 1.09GJ/ ton products of Zhongshan Plant and 17.32GJ/ ton products of Toufen Plant. The data for 2024 are: 2.11 GJ/ton products of Linyuan Plant, 0.98 GJ/ton products	

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			<p>of Cianjhen Plant, 0.98 GJ/ton products of Zhongshan Plant and 16.18 7GJ/ton products of Toufen Plant.</p> <p>3. In 2024, the Company promoted the ISO 14021 certification for recycled content (obtaining SGS certification in November 2024). It offers five different recycled content ratios of PIR plastic raw materials, branded as TAIECOR ABS, which are characterized by their pure color, impact resistance, and non-toxicity. These materials not only facilitate processing and ensure consumer safety but also provide additional support for post-processing products in response to the European Union’s Carbon Border Adjustment Mechanism (CBAM), fostering a collaborative effort towards sustainability from the supply chain to the consumer chain.</p>	
(III) Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to climate-related issues?	V		<p>(III) The assessment of climate change-related risks and opportunities for the Group, along with corresponding response measures, is detailed in Appendix 2.2.3 of this annual report. The Company utilizes the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities. It assesses risks and opportunities across various departments, evaluates their financial impacts, and establishes response plans. The Company plans to conduct a comprehensive assessment every three years and review and update it annually. In 2023, a questionnaire survey was conducted targeting the ESG Committee and senior management to assess the relevance of various risks to the company’s operations and the potential timing of their impacts, as well as the developmental and executable nature of various opportunities. This process identified 11 material climate issues and 1 physical risk: drought. 5 transition risks: (1) Government regulation or supervision - water usage fee (2) Carbon fees (3)</p>	



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			<p>Renewable energy regulations - risks associated with large electricity consumers (4) Low-carbon technology transitions (5) Rising raw material prices. 5 opportunities: (1) High-efficiency production (2) Recycling and reuse - Circular economy (3) Reduction of water usage and consumption (4) Utilization of low-carbon energy (5) Research and development of new products and services - Development of low-carbon energy-saving products); Response measures include: Monitoring water conditions and implementing water usage improvement plans; Enhancing wastewater recycling systems and strengthening operational management to increase recycled water volume and reduce water consumption; Establishing internal carbon pricing as a shadow price; Investing in green energy development programs; Planning and executing energy-saving and carbon reduction initiatives; Implementing AI-driven scheduling to improve efficiency; Committing to the research and development of sustainable products; Recycling processes for wastewater product powders; Water-saving measures, wastewater recycling, and rainwater harvesting during production; Establishing rooftop solar energy projects; Engaging in and participating in the renewable energy market.</p>	
(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction,	V		<p>(IV)</p> <ol style="list-style-type: none"> 1. The assessment of climate change-related risks and opportunities for the Group, along with corresponding response measures, is detailed in Appendix 2.2.3 of this annual report. The Group’s water consumption in 2024 and 2023 was 1,070,197 tons and 927,767 tons, respectively. Non-hazardous waste disposal amounted to 4,605 tons in 2024 and 3,987 tons in 2023, with no hazardous waste generated. 	

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water usage reduction, and other waste management policies?			<p>2. Improvement measures such as energy saving, carbon reduction and water conservation are implemented according to the Group’s management approach, such as using natural gas, replacing old and old high-energy consuming motors, increasing the amount of recycled waste water in the process to reduce the amount of water required in the process, establishing sludge drying system to reduce the amount of waste generated, formulating policy management plan for relevant improvement measures, and regularly tracking and reviewing the progress.</p> <p>3. The Company’s 2023 Sustainability Report has been verified by KPMG in August 2024, and the ISO 14064-1 greenhouse gas inventory and verification for both the individual company and its consolidated subsidiaries have been completed in August 2024.</p>	
IV. Social Issues (I) Has the Company formulated the relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V		<p>(I)</p> <p>Human Rights Policy</p> <p>To fulfill corporate social responsibility and uphold human rights, realizing universal human rights values, our company has referred to the International Bill of Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, among other internationally recognized human rights standards. In March 2018, we established a human rights policy applicable to our company and all affiliated enterprises of the Formosa Plastics Group. This policy aims to eliminate human rights violations and provide a safe and healthy work environment, ensuring that our employees are treated and cared for with fairness and dignity.</p>	



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			<p>Identification and Assessment of Human Rights Risks</p> <p>Conducting annual human rights risk identification, compliance checks, and evaluations on identified human rights concerns, followed by the mitigation and corrective actions based on risk assessments and internal and external review findings, with continuous improvements to achieve risk management objectives. The Company has established a series of steps and processes for managing human rights at various stages, serving as the foundation for the maintenance and protection of human rights. These steps include: Declaration > Identification > Assessment and Analysis > Action and Implementation > Reporting.</p> <p>Human rights issues involve various departments and units. The Human Resources Department conducts human rights due diligence and risk management operations, targeting different affected parties and human rights issues.</p> <p>Human Rights Due Diligence Process</p> <table><tr><th>Phase</th><th>Step</th><th>Measure</th></tr><tr><td rowspan="2">Phase One: Commitment</td><td>Declaration</td><td>Commit to supporting and adhering to international standards and local regulations by establishing a human rights policy.</td></tr><tr><td>Identification</td><td>Confirm the significant human rights issues related to organizational attributes and operational types, as well as the affected parties.</td></tr><tr><td></td><td>Assessment</td><td>Regularly assess human rights impacts</td></tr></table>	Phase	Step	Measure	Phase One: Commitment	Declaration	Commit to supporting and adhering to international standards and local regulations by establishing a human rights policy.	Identification	Confirm the significant human rights issues related to organizational attributes and operational types, as well as the affected parties.		Assessment	Regularly assess human rights impacts	
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Phase One: Commitment	Declaration	Commit to supporting and adhering to international standards and local regulations by establishing a human rights policy.													
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	Yes	No					
				and Analysis		concerning all employees and the service process to understand the level of risk exposure.	
			Phase Three: Corresponding measures	Actions and Initiatives		Propose different action plans based on the periodic assessment of human rights risk levels. Monitor the implementation and performance of the action plans while facilitating communication, ensuring the effectiveness of human rights management. Provide compensation measures through institutional improvements, material support, and psychological counseling in the event of human rights violations.	
						Reporting	Conduct discussions and reports on human rights management within the Company, and publicly disclose the practices and effectiveness of human rights management on the Company website.
				Human Rights Concerns and Practices			
			1. Providing a safe and healthy working environment In order to maintain the workplace safety of our employees, we have not only installed various pollution prevention and fire safety equipment, but also introduced the ISO 14001 environmental management system and ISO 45001 occupational safety and health management system for review and verification,				

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			<p>and actively promoted improvement activities such as energy saving and carbon emission reduction, disaster prevention, and pollution prevention to ensure a safe and healthy working environment.</p> <p>In addition to providing a safe and healthy working environment in accordance with laws and regulations, the Company has established a special unit and committee for occupational safety and health, employed professional doctors and nursing staff to conduct regular health service visits for employees, and conducted regular education and training on safety and health, fire fighting, etc., and took necessary preventive measures to prevent occupational disasters, so as to reduce the risk factors in the working environment.</p> <p>2. Friendly workplace Diversity, Equity, and Inclusion (DEI)</p> <p>The Company is committed to creating a welcoming work environment that values and leverages the strengths of all individuals, regardless of gender, age, or cultural background.</p> <p>In the workplace, it is crucial to embrace individuals from diverse backgrounds, races, genders, sexual orientations, abilities, and perspectives in order to foster a diverse environment. Providing equal opportunities and fair treatment to all employees is essential for bridging the gap between different groups and ensuring that every employee is respected, accepted, and able to actively participate and contribute.</p> <p>At the same time, we are dedicated to promoting gender equality policies and preventing workplace misconduct through advocacy and educational training. Our objective is to create a dignified and welcoming work environment for our</p>	

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			<p>employees.</p> <p>3. Elimination of unlawful discrimination to reasonably ensure equal employment opportunities. The Company implements its human rights policies in the internal control procedures, applies them to employment, remuneration and benefits, training opportunities, promotion, dismissal or retirement and other matters related to labor rights and interests, and does not treat employees and job-seekers unfairly based on their race, class, language, thought, religion, party affiliation, native place, place of birth, gender, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical and mental disabilities, constellation, blood type and other factors.</p> <p>4. Prohibition of child labor To ensure compliance with corporate social responsibility and ethical standards, the Company explicitly prohibits child labor since the beginning of recruitment, and as of the end of December 2024, the total number of employees was 482, among whom there was no child labor.</p> <p>5. Prohibition of forced labor The Company does not force or coerce any unwilling personnel to perform labor services. The daily and weekly working hours, extended working hours, vacations, special leave and other types of leave for employees are in accordance with the law. A reminder function is set up in the attendance system for employees applying for overtime, overtime pay or compensatory leave is provided after overtime, and a dedicated person is assigned to inspect and control the working hours of</p>	

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			<p>the factory on a monthly basis.</p> <p>Training practices for human rights protection</p> <ol style="list-style-type: none"> 1. New employee training- New education and training on compliance with relevant laws is required upon induction, including: sexual harassment prevention, anti-discrimination, anti-harassment, implementation of working hour management, and protection of humane treatment. 2. Prevention of unlawful infringement in the workplace- Through promotion and public announcements, employees are made aware of their responsibility to help ensure that the workplace is free of unlawful abuse in the course of their duties, and a complaint line is disclosed to create a friendly working environment. 3. Occupational safety series training - contentincludes: safety and health education and training, fire safety training, emergency response, first aid personnel training, etc. 4. Integrity and ethical conduct education - Educate and promote daily behavior and ethical standards in order to provide a healthy and positive workplace culture. <p>The Company continues to pay attention to human rights protection and carries out relevant training, so as to raise awareness of human rights protection and reduce the possibility of related risks. In 2024, training aimed at promoting the protection of human rights were conducted, with a total of 2,210 participants and a cumulative duration of 7,067 hours. The details of participation and training are as follows:</p>	

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			<table> <tr> <th>Course Title</th> <th>Total Participants</th> <th>Total hours</th> </tr> <tr> <td>Process Safety Training</td> <td>566</td> <td>1,658.5</td> </tr> <tr> <td>Work Safety Training/Promotion</td> <td>628</td> <td>2,129.5</td> </tr> <tr> <td>Environmental Protection Training</td> <td>85</td> <td>640.5</td> </tr> <tr> <td>On-the-job Health Education and Training (Including On-the-job Training and Retraining of Operation Supervisors)</td> <td>86</td> <td>642</td> </tr> <tr> <td>Emergency Response Drill</td> <td>283</td> <td>614</td> </tr> <tr> <td>Self-defense and Fire Marshalling Training</td> <td>125</td> <td>268</td> </tr> <tr> <td>Fire Fighting Training/Promotion</td> <td>163</td> <td>637</td> </tr> <tr> <td>Special Operations and Cancer Screening Seminar</td> <td>20</td> <td>10</td> </tr> <tr> <td>Workplace Health Promotion Lecture</td> <td>54</td> <td>54</td> </tr> <tr> <td>Emergency Medical Personnel and Education and Training in Healthcare</td> <td>25</td> <td>55.5</td> </tr> <tr> <td>Promoting a Friendly Workplace: Maintaining a Workplace Free from Violence, Harassment, and Intimidation</td> <td>175</td> <td>358</td> </tr> <tr> <td>Total</td> <td>2,210</td> <td>7,067</td> </tr> </table> <p>Measures to mitigate human rights risks</p> <p>The Company is committed to ensuring the safety of its employees and working environment, that people are treated with respect and dignity, that operations uphold the ESG spirit and that compliance with regulations and ethics is followed. To reflect</p>	Course Title	Total Participants	Total hours	Process Safety Training	566	1,658.5	Work Safety Training/Promotion	628	2,129.5	Environmental Protection Training	85	640.5	On-the-job Health Education and Training (Including On-the-job Training and Retraining of Operation Supervisors)	86	642	Emergency Response Drill	283	614	Self-defense and Fire Marshalling Training	125	268	Fire Fighting Training/Promotion	163	637	Special Operations and Cancer Screening Seminar	20	10	Workplace Health Promotion Lecture	54	54	Emergency Medical Personnel and Education and Training in Healthcare	25	55.5	Promoting a Friendly Workplace: Maintaining a Workplace Free from Violence, Harassment, and Intimidation	175	358	Total	2,210	7,067	
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			<p>this commitment, the Company adheres to the business philosophy of integrity, respects its employees on a legal basis, assigns dedicated personnel to implement employee occupational safety and health operations in accordance with the law, and establishes effective channels for appeals in addition to continuous publicity and education to implement human rights policies in operational settings.</p> <p>Results of Human Rights Management for 2024 Based on the Company’s <u>Human Rights Policy and Management Plan</u>, a risk identification process was conducted this year, resulting in the inclusion of 14 human rights issues. Among these, 9 issues were classified as significant management concerns, including: workplace inclusivity, forced labor, excessive working hours, sexual harassment, illegal workplace violations, child labor, personal data management and privacy protection, occupational safety management, and employment and workplace discrimination. In response to the material issues mentioned above that present potential risks, the Company has implemented risk mitigation measures and impact compensation measures, achieving a compensation implementation rate of 100%. The implemented mitigation measures and impact compensation measures are as follows:</p> <p>Mitigation and compensation measures for human rights management</p> <table><tr><th>Issue</th><th>Mitigation Measures</th><th>Compensation Measures</th></tr><tr><td>Workplace Inclusivity</td><td>1. Employ individuals with disabilities in sufficient numbers as required by law. 2. Establish an accessible and inclusive work environment for individuals with disabilities. In addition to the aforementioned policies</td><td>Handle insufficient employment in accordance with the competent authority’s regulations, actively adjust recruitment processes, and strive to</td></tr></table>	Issue	Mitigation Measures	Compensation Measures	Workplace Inclusivity	1. Employ individuals with disabilities in sufficient numbers as required by law. 2. Establish an accessible and inclusive work environment for individuals with disabilities. In addition to the aforementioned policies	Handle insufficient employment in accordance with the competent authority’s regulations, actively adjust recruitment processes, and strive to	
Issue	Mitigation Measures	Compensation Measures								
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				that are friendly to individuals with physical and mental disabilities, the Group has also established and disclosed a workplace diversity policy. The standard document “Group Recruitment and Employment Management Regulations” explicitly states that recruitment, selection, employment, distribution, and assignment must not discriminate against individuals based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, zodiac sign, blood type, or any other criteria. Furthermore, the Group actively promotes a diverse and inclusive workplace, ensuring that foreign workers (including blue-collar, white-collar, and overseas students), indigenous people, and female employees all have equitable employment opportunities and career development. Through a talent development mechanism that aligns skills with roles, the Group provides diversified educational training and competency enhancement programs, fostering the	increase the proportion of talent recruited to meet diversity objectives.	

Promotion items	Implementation Status (Note 1)					Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
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					inclusion and development of diverse talents. This enables each employee to leverage their strengths in suitable positions, facilitating mutual growth.	
				Excessive working hours	<div>1. In accordance with the relevant regulations regarding working hours as stipulated by labor laws, the Company conducts regular compliance reviews of its regulations and ensures their implementation.</div> <div>2. Through the attendance and overtime management system, employee attendance times are accurately recorded.</div> <div>3. The system sends daily notifications for clock-in/out time breaches, reminding employees of standard working hours and overtime regulations. It also checks whether extended working hours constitute overtime, allowing employees to choose between receiving overtime pay or compensatory leave.</div> <div>4. The overtime situation of each department is regularly reviewed.</div>	<div>1. Compensate employees who work overtime for their overtime hours in accordance with the law.</div> <div>2. Understand employees’ workloads and reasons for overtime, actively improve processes, and enhance operations to boost efficiency.</div> <div>3. Employees with excessively long working hours are included in the abnormal workload identification and risk investigation list. Regular health check-ups are conducted, and related operations and human resource arrangements are adjusted as necessary.</div>

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			<div> <div></div> <div></div> <div>4. Understand employees’ workloads and reasons for the excessive working hours, actively improve processes, and enhance operations to boost efficiency.</div> </div> <p>Assisting employees to maintain physical and mental health and work-life balance</p> <ol style="list-style-type: none"> 1. The Company commissions large hospitals annually to conduct health checkups to ensure the physical well-being of its employees and submits reports to the relevant authorities as required. In addition, special health examinations have been reinforced for factory employees to ensure the safety and health management of the work environment. 2. The Company provides venues or sponsorship funds to encourage employees to participate in healthy activities, and employees can form their own clubs to unite colleagues by emotion through club activities. 3. Besides holding activities such as beano, Mid-Autumn Festival party to adjust employees’ body and mind and cohesion, the Company also sets up sports and fitness equipment for employees to use after work. 4. To enhance employee health and prevent obesity and chronic diseases such as the three highs (high blood sugar, high blood lipids, and high blood pressure), the Taipei region will promote the “Taipei Group Walking Together” walking activity in 2024. This initiative aims to assist employees in developing a regular exercise habit by setting a daily walking goal of 6,000 steps amidst 	



Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
			<p>their busy work schedules. During the event period, the Company’s employees united to convert their accumulated steps into a corporate tree-planting initiative, achieving the dual values of health promotion and environmental sustainability. Participants not only enhance their physical and mental vitality but also achieve weight loss goals and cultivate a sustained exercise habit through teamwork and mutual encouragement, thereby increasing awareness of the prevention and management of chronic diseases</p> <p>Complaint System The Company has a smooth complaint channel, through which colleagues can file a complaint with supervisors at all levels or the Human Resources Department when they encounter various problems within the Company. In addition, the Company has a dedicated complaint mailbox and e-mail for sexual harassment prevention, in order to maintain gender equality in work and provide employees and job seekers with a work and service environment free from sexual harassment. During the period of complaint investigation, it will be handled in a confidential manner, and the name of the complainant or other relevant information sufficient to identify the complainant will not be disclosed to protect the complainant.</p>	
(II) Does the Company establish and implement reasonable employee welfare measures (including salary, leave and other benefits) and appropriately reflect	V		<p>(II) The Company’s articles of association stipulate that if there are profits in a given year, employee compensation should be distributed, amounting to no less than one percent of the profits for that year. All employees of the Company are entitled to share in the Company’s operational achievements. The Company’s established and implemented employee compensation and benefits are as follows:</p> <p>※ Employee Compensation</p>	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies																
	Yes	No	Overview																	
operational performance or results in employee compensation?			<p>The company has established a Remuneration Committee that regularly reviews the compensation policies. Additionally, the Committee links rewards and penalties to the year-end bonus to ensure that the reward and disciplinary system is clear and effective. Year-end bonuses are awarded based on the Company’s profitability, individual employee performance, and the achievement rate of organizational goals.</p> <p>※ Employee Benefits Measures The Company has established a variety of benefits measures.</p> <table><tr><th>Benefits</th><th>Description</th></tr><tr><td>Bonuses</td><td>Year-end bonuses and holiday gifts</td></tr><tr><td>Vacations</td><td>Unpaid parental leave, menstrual leave, family care leave, maternity leave, maternity check-up leave, and accompanying maternity check-up and leave.</td></tr><tr><td>Insurance</td><td>Labor Insurance, National Health Insurance, Employee Business Travel Accident Insurance, Employee/Dependent Group Insurance, Labor Retirement Contribution.</td></tr><tr><td>Transportation</td><td>Employee parking spaces and transportation allowance</td></tr><tr><td>Entertainment</td><td>Employee club sponsorships, company trips, and year-end banquets.</td></tr><tr><td>Subsidies</td><td>On-the-job training for employees and subsidies for domestic and overseas continuing education</td></tr><tr><td>Other Benefits</td><td>Childbirth subsidies, marriage and bereavement allowances, travel subsidies, recognition for long-serving employees, educational subsidies for employees’ children, regular health check-ups, and wellness programs.</td></tr></table>	Benefits	Description	Bonuses	Year-end bonuses and holiday gifts	Vacations	Unpaid parental leave, menstrual leave, family care leave, maternity leave, maternity check-up leave, and accompanying maternity check-up and leave.	Insurance	Labor Insurance, National Health Insurance, Employee Business Travel Accident Insurance, Employee/Dependent Group Insurance, Labor Retirement Contribution.	Transportation	Employee parking spaces and transportation allowance	Entertainment	Employee club sponsorships, company trips, and year-end banquets.	Subsidies	On-the-job training for employees and subsidies for domestic and overseas continuing education	Other Benefits	Childbirth subsidies, marriage and bereavement allowances, travel subsidies, recognition for long-serving employees, educational subsidies for employees’ children, regular health check-ups, and wellness programs.	
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Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
(III) Does the Company provide a safe and healthy work environment to its employees, and regularly offer safety and health education to its employees?	V		<p>(III)</p> <ol style="list-style-type: none"> 1. The Company distributes personal safety protective equipment to each employee, conducts education and training on the inspection and safety of the working environment every six months, conducts irregular inspections on the working safety environment and conducts regular annual health check-ups, and sets up an occupational safety and health special unit and committee organization, and employs professional doctors and nursing staff to provide consultation and assistance on employees’ health problems. 2. The Company has passed the examination and verification of ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Safety and Health Management System), which covers workers (employees and contractors of the Company) and stakeholders (such as internal and external government and non-governmental organizations entering the workplace, etc.), so as to provide a safe working environment for workers and personnel. 3. In 2024, the Company underwent 94 on-site occupational safety audits by government agencies all of which were in compliance with the occupational safety regulations. There was no occupational accident involving employees or contractors; additionally, the number of fire incidents: 0, number of casualties: 0, and the casualty rate as a percentage of total employees: 0%. 4. The Company continues to maintain good communication with its employees through labour unions, labour-management meetings and related labour education and training, so there is no special group agreement with the labour unions. 	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
(IV) Has the Company established an effective training plan for employees’ career development?	V		<p>(IV) Career competency development programs</p> <p>To enhance employees’ overall competitiveness, the Company has built a comprehensive training system aligned with external trends, group management strategies, corporate development plans, departmental performance goals, and individual career development needs, providing training programs that support the growth of well-rounded talent.</p> <p>The training framework primarily consists of three main components: “On-the-Job Training (OJT),” “Off-the-Job Training (Off-JT),” and “Self-Directed Learning (SD).” It is systematically designed to plan training programs that facilitate employees’ career development, thereby extending into a lifelong learning education and training system for individuals.</p> <p>For new employees, a detailed introduction to the corporate culture, business philosophy, labor regulations, organizational system standards, professional skills, and operational processes of the group will be provided. This aims to assist in the rapid integration into the work environment, enhance the sense of identity and cohesion towards the Company, and implement specialized courses or safety training as per the needs of each unit.</p> <p>Regarding the training and continuing education of current employees, an employee training needs assessment is conducted in the fourth quarter of each year. An annual education and training execution plan and budget are formulated. Regular training sessions are held for employee competencies, management training, special lectures, health seminars, and various workshops. The course delivery methods are diverse; in addition to lectures, activities are designed based on the nature of the courses, including case studies and group discussions, to make learning more dynamic and</p>	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
			<p>engaging. A digital learning platform is also available to provide avenues for self-directed learning, enabling employees to effectively engage in learning activities anytime and anywhere, thereby enhancing their professional or management skills and promoting a balanced development of their holistic well-being.</p> <p>The implementation of the “Succession Planning Personnel” training is aimed at ensuring a smooth transition and continuity for key positions within the Company. The training content includes job rotation, overseas assignments, project leadership, management skills, and leadership training courses, thereby preventing talent gaps and maintaining the stability and sustainable development of the Company’s operations and competitiveness.</p> <p>(V) In response to the physical and mental health of “retiring personnel” and their post-retirement life planning, courses on retirement financial management, health management, and life adjustment have been arranged to facilitate a smooth transition into retirement.</p>	
(V) Does the Company comply with relevant laws and regulations and international standards, and has a policy and complaint procedure to protect the rights of consumers or customers with respect to the health and safety of customers,	V		(VI) The Company establishes long-term cooperation with high-quality suppliers based on quality, capability and environmental protection policies, fulfills corporate social responsibilities, and delivers the idea of environmental protection policies to contractors and carriers. At the same time, the Company complies with the RoHS directive and enhances environmental protection education and training. The Company also pays serious attention to the safety of construction companies in the plant area and ensures the safety of various operations so as to protect the safety and health of workers and jointly engage in good risk management with them.	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
customer privacy, marketing and labeling of products and services?			<ol style="list-style-type: none"> 1. Customer health and safety: all products have SDS (safety data sheet) to provide customers with guidelines for storage and transportation, so as to maintain health and safety. 2. Customer Privacy: Since 2013, the Company has established the “Customer Personal Data Management Procedures” to safeguard customer privacy. 3. Marketing and labeling: all in compliance with relevant laws and international standards. Trademark labeling on packaging bags is processed in accordance with regulations in the Trademark Act. <p>Establishment of related consumer rights protection policy and grievance-filing procedures: The Company provides customers with complaint channels in accordance with the “Operating Procedures for Processing Customer Complaints” to protect their interests.</p>	
(VI) Does the Company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	V		<p>(VII) The supplier management policy is described as follows:</p> <ol style="list-style-type: none"> 1. Supplier Evaluation System: In order to encourage suppliers to continuously optimize their performance, the Company aims to obtain high-quality raw materials and services in a timely, adequate, and cost-effective manner. Each year, in alignment with production operations and environmental protection policies, we conduct an annual evaluation of suppliers based on criteria such as quality, delivery time, environmental safety, packaging, quality certification, and service. 2. Promote and encourage suppliers to sign the Supplier Corporate Social Responsibility Commitment (hereinafter referred to as the Commitment), requiring suppliers to commit to issues such as human rights, occupational safety, health, environmental protection, and conflict minerals. 	

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	Yes	No	Overview	
			<p>(1) Requirements: (a) Labor and human rights: Including non-forced labor, prohibition of child labor, provision of due wages and benefits, protection of working hours and rest time, elimination of sexual harassment, bullying and discrimination in the workplace, and non-use of conflict minerals, etc. (b) Health and safety: Including necessary measures such as occupational safety, emergency response, industrial hygiene, machine protection, public health, accommodation and health and safety information. (c) Environment: Including environmental operation permit, pollution prevention and resource conservation, hazardous substances, sewage, harmless solid waste, noise, exhaust gas emission, product and service restriction, energy/resource consumption and greenhouse gas emission, etc. (d) Ethical standards: Including ethical management, respecting intellectual property rights, abiding by relevant confidentiality agreements, safeguarding privacy and avoiding conflicts of interest.</p> <p>(VIII) Execution Status: (1) In 2024, a total of 210 suppliers were evaluated, achieving a qualification rate of 100%. (2) Existing suppliers have signed the commitment letter at a rate of 100%, and this commitment letter will also be included as a criterion for the selection of new suppliers. (3) Planning of Supplier On-Site Audits: Starting in 2023, Taita Chemical have been conducting initial on-site audits for major raw material suppliers and special auxiliary material suppliers. Suppliers will be required to complete a self-assessment form regarding the Supplier Code of Conduct and quality requirements. Starting from 2024, we have also expanded the supplier factory audit program. Currently, we are on track to conduct approximately four audits per year, and we are gradually adjusting the content of these audits. This ensures that our</p>	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
			suppliers, in collaboration with Taita, can all meet social and environmental assessment standards.	
V. Does the Company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?	V		The Company’s CSR reports are drafted based on the Global Reporting Initiative (GRI) Standards: 2021(GRI Standards) published by the Global Reporting Initiative (GRI). Does the Company obtain third-party assurance or qualified opinions for the reports above every year. In 2023, the ESG report was approved with KPMG as the third-party assurance provider. The firm reviewed the compliance with GRI standards and conducted limited assurance operations on five ESG indicators in accordance with Assurance Standard 3000, subsequently issuing an assurance report.	Compliant with the requirements of the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies.”
VI. If the Company has its own code of practice for sustainable development in accordance with the Code of Practice for Sustainable Development of Listed Companies, please describe the differences between its operation and the code: On March 11, 2015, the Board of Directors of this company approved the establishment of the “Code of Corporate Social Responsibility.” Subsequently, on August 12, 2020, and March 9, 2022, the Board of Directors approved amendments to the Code to strengthen the implementation of corporate social responsibility. On March 3, 2023, in conjunction with the latest revision of the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” the “Code of Corporate Social Responsibility” were amended to the “Code of Sustainable Development.” The Company will manage its risks and impacts on the economy, environment, and society in accordance with these principles and will make improvements based on them. There have been no discrepancies to date.				
VII. Other important information that is helpful to understand the operation of promoting sustainable development: For information regarding the Company’s sustainable development operations, please refer to the Company’s ESG website (https://www.ttc.com.tw/zh-tw/dirCSRnew/frmIndex.aspx), press releases, and sustainability reports.				



Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies										
	Yes	No	Overview											
<div>1. Investment in various energy-efficient and environmentally sustainable equipment 2024 The expenditure for the addition of energy-efficient equipment is approximately NT\$8.87 million. It is estimated to save 677,000 kilowatt-hours of electricity and reduce carbon emissions by 334 metric tons (CO₂e) annually. The expenditure for the replacement with energy-efficient motors is approximately NT\$5.09 million. It is estimated to save 541,000 kilowatt-hours of electricity and reduce carbon emissions by 207 metric tons (CO₂e) annually. Enhancing energy management involves an expenditure of approximately NT\$250,000, resulting in annual savings of 248,000 kWh of electricity and a reduction of 123 metric tons of CO₂e emissions.</div> <div>2. TTC upholds the spirit of “giving back to the society what is taken from it” to care for the community, local groups and local schools, as well as continuing to interact with local communities to maintain good relations. Risks or opportunities to the community are as follows: Giving back to the community: including community development associations, education and culture, environmental protection agencies, community associations, local folk festivals, and emergency assistance. Offer job opportunities: local talents are prioritized for appropriate vacancies and contractors are encouraged to hire local residents. Community fellowship: Including activities for local inhabitant, community representatives, environmental protection groups, religious activities.</div> <div>2024 Community Care Activities for Social Participation and Implementation Results</div> <table><tr><th>Type</th><th>Results / Implementation</th></tr><tr><td rowspan="7">Community clubs Caring for the neighborhood</td><td>* Linyuan District neighborhood care get-together or activities and social lectures feedback</td></tr><tr><td>* District community club development association and the association study activities</td></tr><tr><td>* Renovation of various public facilities in Linyuan Plant</td></tr><tr><td>* Marketing of New Year folklore and agricultural and fishery products in Linyuan Plant</td></tr><tr><td>* Subsidies for school facilities at all levels in Linyuan District</td></tr><tr><td>* Scholarships for schools in Linyuan District</td></tr><tr><td>* Toufen Plant participated in a beach cleanup charity event in Miaoli County.</td></tr></table>					Type	Results / Implementation	Community clubs Caring for the neighborhood	* Linyuan District neighborhood care get-together or activities and social lectures feedback	* District community club development association and the association study activities	* Renovation of various public facilities in Linyuan Plant	* Marketing of New Year folklore and agricultural and fishery products in Linyuan Plant	* Subsidies for school facilities at all levels in Linyuan District	* Scholarships for schools in Linyuan District	* Toufen Plant participated in a beach cleanup charity event in Miaoli County.
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Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
			* On September 14, 2024, the Group held a charity softball game in Southern Taiwan and donated NT\$20,000 to the Jintan Elementary School baseball team. This event aimed to enhance the corporate social responsibility of the USI Group and encourage employee participation in charitable activities.	
			* On November 16–17, 2024, we sponsored and actively participated in the softball tournaments hosted by regional corporate unions and federation of petrochemical unions, allowing employees to showcase their vitality and passion for sports.	
			* On November 23, 2024, Taita, APC, and TVCM each sponsored NT\$100,000 to jointly host the USI Cup Tennis Championship.	
			* On April 20, 2024, the USI Group held a charity basketball tournament and sponsored funding to Kaohsiung Municipal Renwu Senior High School.	
			* Taita Chemical’s Linyuan Plant upholds the corporate ESG spirit and continues to participate in the 2024 Air Purification Zone Management Program and the 2024 Kaohsiung City Interdepartmental Greenhouse Gas Reduction Program launched by the Environmental Protection Bureau Kaohsiung City Government. It also adopts the Chunyun Elementary School in Linyuan District, Kaohsiung City, and sponsors the update of energy-efficient equipment of Kaohsiung Municipal Lin Yuan Senior High School.	
			* We were awarded an excellence award for contributions to the adoption of air quality purification zones by the Environmental Protection Bureau, Kaohsiung City Government.	
			* Long-term investment in local community engagement activities in the Lin Yuan District has fostered harmonious relationships with the local community, resulting in the award of a certificate of honor from the Kaohsiung City Lin Yuan District Office.	
			* Donated two treadmills to the Linyuan Fire Brigade to support the training and physical fitness of firefighters, thereby enhancing disaster response efficiency.	
	Donations and other sponsorship		* We are ranked 6% and 20% among publicly listed companies in the 10th (2023) Corporate Governance Evaluation.	
			* In the 17th TCSA (Taiwan Corporate Sustainability Awards) in 2024, the Company received the ‘Corporate Sustainability Performance Award’ and the ‘Gold Award for Corporate Sustainability Report.’	
			* At the 2nd Green Sustainability Achievement Conference organized by SGS in 2024, we received the “Recycling and Circular Economy Award.”	
			* We participated in activities held by the USI Educational Foundation.	
			* Temple celebrations and other sponsorships	



Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Overview	
3. Implementation of Social Services and Public Welfare: Donation to the USI Education Foundation USI Group upholds the business philosophy of “Solid Operation, Professional Management, Seeking Excellence and Serving the Society”. On December 30, 2011, USI Corporation and Asia Polymer Corporation jointly established the USI Education Foundation with a fund of NT\$ 50 million. The USI Education Foundation aims to engage in education-related charitable activities, and focuses on care for the disadvantaged, people in rural areas, and the ecology. The foundation has carried out the following activities in accordance with the relevant laws: (1) Sponsor education in rural areas. (2) Set up scholarships. (3) Hold talks, seminars or other education-related charitable activities. (4) Sponsor schools at various levels or educational groups to engage in activities such as literature, sports, music, dance, arts and drama. (5) Industry-academia collaboration. Other educational activities of public interest in line with the objectives of the Foundation.				

Note 1: If “Yes” is selected in the operating status, please explain the important policies, strategies, and measures adopted, and the implementation status; if “No” is selected in the operating status, please specify the difference reason and explain related future policies and plans for strategies and measures in the column “Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof”.

Note 2: The principle of materiality refers to environmental, social, and corporate governance issues that have significant impacts on the Company’s investors and other stakeholders.

Note 3: For disclosure, please refer to the best practice examples on the Taiwan Securities Exchange.

Climate-related Information for Listed Companies

1. Risks and Opportunities of Climate Change for the Company and the Company's Response Measures

Item	Implementation Status
1. This report provides an overview of how the Board of Directors and management supervise and manage climate-related risks and opportunities.	<p>Taita Chemical has established the ESG Committee under the Board of Directors as the highest authority for climate management. The committee is led by an independent director and conducts annual reviews of the Company's climate change strategies and targets. It also manages climate change risks and opportunities, and evaluates the progress of implementation, reporting directly to the Board of Directors.</p> <p>In light of the increasing global emphasis on Environmental (E), Social (S), and Governance (G) issues, the Company is implementing a phased approach to promote the disclosure of greenhouse gas inventory and assurance information by publicly listed companies, in accordance with the "Sustainable Development Roadmap for Listed Companies" issued by the Financial Supervisory Commission. This initiative aims to build the capacity for corporate greenhouse gas inventory. The Company has completed the audit and assurance procedures for the consolidated financial statements of the parent and subsidiary companies. Each annual report specifically promotes various measures, with recommendations provided by the Board of Directors.</p> <p>In addition to continuously enhancing corporate governance effectiveness, the Company is also carefully planning and executing strategies to implement carbon reduction targets and develop green energy initiatives. We are utilizing AI technology applications to manage these efforts more efficiently, assisting the enterprise in reducing issues and risks, with the aim of meeting international standards and achieving the ambitious goal of sustainable corporate development.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the Company (short, medium and long term).	<p>In 2023, a questionnaire survey was conducted for the ESG committee and senior management to assess the relevance of various risks to the Company's operations and the potential timing of their impacts, as well as the developmental and executable nature of various opportunities. A total of 10 questionnaires were collected, and after statistical analysis by the team, 11 significant climate issues were identified (1 physical risk issue, 5 transformation risk issues, and 5 opportunity issues).</p> <p>Taita Chemical Co., Ltd. conducted evaluations on the potential financial impacts of the 11 significant risk and opportunity items, and formulated response strategies and management mechanisms, aiming at understanding the potential impacts of climate change across various aspects and reducing operational impacts caused by extreme weather conditions, establishing a resilient</p>



Item	Implementation Status			
<p>climate change culture.</p> <p>According to the time frame of climate-related risk events, they can be divided into three intervals: short-term (< 3 years), medium-term (3-5 years), and long-term (> 5 years). Climate-related opportunity projects are classified into five levels based on their impact on the Company development and technical feasibility. The corresponding classifications are shown in the table below:</p>				
	Type	Item	Timeframe of occurrence	
	Physical risk	Drought	Short-term (< 3 years)	
	Transformation risk	Government regulation or supervision - Water conservation charge	Short-term (< 3 years)	
		Carbon fee	Short-term (< 3 years)	
		Renewable energy regulations - Risks of large electricity consumers' terms and conditions	Short-term (< 3 years)	
		Low carbon technology transformation	Short-term (< 3 years)	
		Increase in raw material prices	Short-term (< 3 years)	
	Type	Item	Development prospect	Feasibility of technology
	Opportunities	High-efficiency production	It has development potential and aligns with existing policies.	Under active development
		Recycling and reuse - circular economy	It has development potential and aligns with existing policies.	Under active development
		Reduced water utilization and consumption	It has development potential and aligns with existing policies.	Technology is mature
Use of low-carbon energy sources		It has development potential and aligns with existing policies.	Technology is mature	
Research and innovation in the development of new products and services - R&D of low carbon and energy efficient products		It has development potential and aligns with existing policies.	Under active development	

Item	Implementation Status				
	Potential financial impact of risk and opportunity items and the corresponding measures				
	Climate change issue	Category	Description	Potential financial impact	Company's strategy and countermeasure
	Drought	Physical risk / Chronic	Due to climate change leading to global warming, climate patterns are no longer consistent. This is particularly evident in southern Taiwan, where prolonged periods of no rainfall have occurred, necessitating attention to water usage.	Increased operating costs If there is a water shortage, it will be necessary to purchase water trucks. In severe cases, production on the assembly line will be reduced or halted entirely. It is estimated that the cost of purchasing purified water will increase by NT\$24,000 per day.	<ol style="list-style-type: none"> 1. Monitoring of water conditions and emergency response procedures 2. Stop non-essential water usage and intensify pipeline inspections and switches. 3. Implement water improvement initiatives to progressively reduce total water withdrawal year by year.
	Government regulation or supervision - Water conservation charge	Transition risk / Policy and law	The Ministry of Economic Affairs released the "Regulations on the Water Conservation Charge" in January 2023, which imposes a "Water Conservation Charge" on heavy water users with a monthly consumption exceeding 9,000 cubic meters during the dry season (January to April and November to December).	Increased operating costs The actual water consumption and water recovery rate during the dry season from November 2023 to April 2024 correspond to a water usage fee rate of NT\$220,000 per year (halved before 2025).	<ol style="list-style-type: none"> 1. Set unit product water consumption targets and achieve reduction targets year by year. 2. Improve wastewater recycling systems and enhance operational management to increase the volume of recycled water and reduce water consumption.



Item	Implementation Status				
	Carbon fee	Transition risk/ Policy and law	In August 2024, the Ministry of Environment announced the Regulations Governing the Collection of Carbon Fees, Regulations Governing Self-determined Reduction Plans, and the Designated GHG Emissions Reduction Goals for Entities Subject to Carbon Fees, which will impose carbon fees starting in 2025 on major carbon emitters with annual emissions exceeding 25,000 tons.	<p>High input costs in the first phase, but low carbon emissions in the subsequent years, reducing operational costs</p> <p>Based on the carbon emissions of the Taita Chemical's Linyuan Plant over 2024, with a carbon fee of NT\$300 per ton, the annual carbon fee to be paid would be NT\$4 million.</p>	<ol style="list-style-type: none"> 1. Incorporate carbon costs into investment assessments to improve the implementation opportunities for carbon reduction projects. 2. Plan for energy conservation and carbon reduction measures from 2025 to 2030, including the replacement of outdated equipment and improvements in energy efficiency.
	Renewable energy regulations - Risks of large electricity consumers' terms and conditions	Transition risk/ Policy and law	1. The "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity" of the Ministry of Economic Affairs requires large electricity consumers with a contract	<p>Increased operating costs</p> <p>Taita Chemical will procure green electricity from USIGE, an affiliate, to meet regulatory requirements.</p>	<ol style="list-style-type: none"> 1. Plans for energy conservation and carbon reduction measures from 2025 to 2030 include the replacement of outdated equipment and improvements in energy efficiency. 2. USI Green Energy Corporation, a subsidiary of USI Group, actively seeks suitable sites for

Item	Implementation Status				
			<p>capacity greater than 5,000 kW to install renewable energy facilities with a contract capacity of 10% by 2025.</p> <p>2. In 2025, the Ministry of Economic Affairs announced the energy-saving targets for major electricity users from 2025 to 2028: companies with contracted electricity capacity between 801 and 10,000 kW are to maintain an average annual energy-saving rate of 1%, while those exceeding 10,000 kW are required to achieve 1.5%.</p>		<p>investing in green energy development projects. By 2024, the cumulative installed capacity of solar photovoltaic systems reaches 8.6 MW, with an annual electricity generation of 10.73 million kWh. In 2025, Taita Chemical will procure 830,000 kWh of green electricity from USI Green Energy.</p>
	Low carbon technology transformation	Transition risk/ Energy and Technology	Investments in the development of low-carbon technologies, including energy transformation, efficiency improvement, and fuel substitution for carbon reduction increases the technology	Increase in capital expenditure and decrease in operating costs In 2024, we implemented 18 energy-saving and carbon reduction measures, with a total investment of	Plans for energy conservation and carbon reduction measures from 2025 to 2030 include the replacement of outdated equipment and improvements in energy efficiency.



Item	Implementation Status				
			costs for the enterprise.	NT\$14.2 million. This resulted in a reduction of 1.47 million kWh in electricity and a reduction of 724 tons of CO ₂ e.	
	Climate change issue	Category	Description	Potential financial impact	Company's strategy and countermeasure
	Increase in raw material prices	Transition risk/ Market	1. With the future implementation of carbon taxes in mind, the cost of raw materials will incorporate carbon emissions, leading to an increase in prices. 2. Extreme weather conditions have resulted in increased uncertainty regarding the transportation costs and delivery schedules of raw materials.	Increased operating costs The costs associated with the transportation of raw materials and products have increased.	1. Continuously promoting the recycling and reuse of substandard materials 2. Assessing the feasibility of implementing AI-based intelligent scheduling within the factory.
	High-efficiency production	Opportunity / Resource efficiency	Through AI intelligent production, industrial motors, automatic packaging and other production tools, enhancing overall	Increase in capital expenditure and decrease in operating costs By optimizing equipment and	The Company participates in the 2025 Smart Petrochemical Safety Enhancement Subsidy Program, with AI initiatives including gas

Item	Implementation Status				
			production efficiency and reducing energy consumption.	operation, increase production, improve energy efficiency per unit product, and reduce greenhouse gas emissions.	detection data analysis management, vehicle and environment management image recognition, personnel anomaly identification/personnel positioning, equipment/pipeline monitoring systems, factory operation management platform, and smart inspection systems, aimed at enhancing factory safety and operational efficiency.
	Recycling and reuse - circular economy	Opportunity / Resource efficiency	Based on the three principles of circular economy (3R): Reduce, Reuse and Recycle. Reduce the cost of waste disposal, or the amount of raw materials used.	Increased revenue 1. Procurement of waste glass for input into the production process of glass wool. 2. Recycling and Reuse of ABS Scrap at the Linyuan Plant.	1. Research and develop sustainable products by transforming waste glass into fire-resistant, thermal-insulating, and soundproof glass wool. The product has successfully obtained the Green Building Material certification. 2. Recycle the wastewater product powder in the process area to the process for reuse 3. The ABS manufacturing process at the Linyuan plant for TAIECOR™ materials



Item	Implementation Status				
					has passed ISO 14021 certification, allowing for the recycling and remanufacturing of process waste.
	Reduced water utilization and consumption	Opportunity / Resource efficiency	Water is an irreplaceable resource in the manufacturing process. Reducing factory water leakage and increasing the proportion of water recycling and reuse saves operating costs and enhances the resilience of the factory.	<p>Reduced operating costs</p> <ol style="list-style-type: none"> 1. Improve water conservation and wastewater recycling through process improvement. 2. Include water use in monthly key performance indicator monitoring, conduct statistical analysis and comparison of water use, and immediately investigate and improve any abnormal water use. 	<ol style="list-style-type: none"> 1. Plan to improve wastewater recycling facilities. 2. Improvement of process equipment and operation to reduce steam volume. 3. Continuously develop plans to reduce water consumption and promote water conservation.
	Use of low-carbon energy sources	Opportunity / Resource efficiency	Promote coal-to-gas plan and carbon reduction measures, increase the use of renewable energy, reduce carbon costs, and lower the carbon footprint of products.	<p>Increase in operating costs and decrease in carbon fee</p> <p>Continuously invest in carbon reduction, cost, and benefits.</p>	<ol style="list-style-type: none"> 1. Establish site for rooftop solar energy proposal 2. Prioritize natural gas source for purchased steam supply source. 3. Focus on and engage in the renewable electricity market. 4. In 2024, Taita Chemical Co., Ltd.

Item	Implementation Status				
					implemented 18 energy-saving and carbon reduction measures, with a total investment of NT\$14.2 million. This resulted in a reduction of 1.47 million kWh in electricity and a reduction of 724 tons of CO ₂ e
	Research and innovation in the development of new products and services - R&D of low carbon and energy efficient products	Opportunities / Products and services	Researching and developing products oriented towards circular economy, low-carbon, and energy-saving. Investing in technology from the perspective of the complete product and service lifecycle to develop low-carbon products.	Increased revenue 1. At Toufen Plant, the thermal insulation and cooling properties of glass wool can adjust indoor air conditioning to reduce the temperature by 2-3 degrees Celsius, resulting in energy savings for air conditioning. 2. The Linyuan Plant recycles process waste materials to enhance product quality.	1. At Toufen Plant, glass wool is made from recycled glass and possesses characteristics such as fire resistance, thermal insulation, heat retention, and soundproofing. It has passed multiple national standard testing items, meeting Class A flame retardancy standards while providing high sound absorption efficiency. Furthermore, it has obtained certification as healthy green building material. 2. The ABS



Item	Implementation Status				
					manufacturing process at the Linyuan plant for TAIECOR™ materials has passed ISO 14021 certification, allowing for the recycling and remanufacturing of process waste.
3. This report aims to elucidate the effects of extreme weather events and transition actions on the financial sector.	<p><u>Impacts of extreme weather events on the financial sector</u></p> <p>Taita Chemical has established future scenario settings based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This analysis addresses both physical risks and transition risks, evaluating potential impacts and opportunities the Company may face in the future, and incorporates the results into its strategic resilience assessment.</p> <p>Physical risks are assessed with reference to the Taiwan Climate Change Projection Information Platform (TCCIP) and its publication in June 2023, titled “Taiwan Climate Change Key Indicators Atlas: AR6 Statistical Downscaling”, as well as the “Climate Change Disaster Risk Map” published by the National Science & Technology Center for Disaster Reduction. These resources provide projections of long-term climate changes and potential climate risks for the future. The scenarios adopted by the IPCC AR6 combine the Shared Socioeconomic Pathways (SSPs) with the Representative Concentration Pathways (RCPs). Taita Chemical Co., Ltd. has selected the SSP 5 - 8.5 emission scenario (extremely high greenhouse gas emissions, with carbon dioxide emissions expected to double around the year 2050) to conduct future scenario analyses of climate disasters such as high temperatures, flooding, and drought.</p> <p>Under the scenario of RCP 8.5, the number of typhoons affecting Taiwan is projected to decrease by approximately 15% in the mid-21st century (2040–2065) and by 55% by the end of the century (2075–2099). The proportion of strong typhoons is expected to increase by about 100% and 50%, respectively. The maximum wind speed is anticipated to rise by approximately 4% and 8%, while typhoon-related rainfall is projected to increase by about 20% and 35%. Although the number of typhoons affecting Taiwan in the future is expected to decrease, the threat of more intense typhoons will increase. The Company needs to strengthen disaster preparedness and enhance its disaster resilience to mitigate the losses caused by typhoons.</p>				

Item	Implementation Status
	<p><u>Effects of extreme weather events and transition actions on the financial sector</u></p> <p>The financial impact of transformation actions on enterprises mainly manifests through cost and investment adjustments driven by changes in policies, regulations, technological shifts, and market demand. Newly established regulations on water usage fees and carbon fees will directly increase operating costs for enterprises. For instance, the water usage fee is expected to increase annual costs by approximately NT\$220,000, while the carbon fee will add around NT\$4,000,000 per year. In addition, the energy-heavy consumers clause requires enterprises to increase the proportion of renewable energy use and improve energy efficiency, which will result in higher capital expenditures for green energy procurement and equipment upgrades. However, companies can achieve long-term reductions in operating costs and risks through proactive investments in low-carbon technology transformations, such as improving energy efficiency, upgrading equipment, and enhancing wastewater recycling systems, even though the initial capital expenditures may be higher. Overall, businesses undergoing low-carbon transformation should anticipate short-term cost increases. However, proactive measures can enhance their medium- to long-term competitiveness and sustainable development capabilities.</p>
4. This report outlines the integration of the process of identifying, assessing, and managing climate risks into the overall risk management system.	Taita has established a sound and trustworthy business philosophy to ensure the Company's stable operations and sustainable development. To mitigate potential operational risks, the Board of Directors approved the "Risk Management Policies and Procedures" in 2020. This allows the Board to effectively assess and supervise various existing or potential risks faced by the Company. Each responsible functional department conducts real-time assessments and rolling adjustments based on the latest changes in the international economic situation, the most recent ESG regulations, and risk opportunity assessment management methods. The General Manager's Office reports on the Company's risk management operations to the Board at least once a year, enabling the Board to understand the risks faced by the Company and to provide more specific recommendations for the Company's operational strategies in a timely manner.
5. When utilizing scenario analysis to evaluate resilience to climate change risks, it is crucial to	In response to the escalating global climate change, Taita Chemical Co., Ltd. continues to adopt the TCFD framework, further identifying potential risk factors in the face of extreme weather conditions and seizing new business opportunities. Referencing the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction, projecting for conditions of rising temperatures, rainfall, flooding, and

Item	Implementation Status
<p>provide a clear explanation of the scenario, parameters, assumptions, analysis factors, and significant financial impacts employed.</p>	<p>droughts during 2016-2035 under the RCP 8.5 scenario. 3 physical risk issues were identified. Based on group strategy, industry characteristics, Intended Nationally Determined Contribution (INDC), and TCFD indicators.</p> <p>Based on the nature of risk and opportunity factors, risks are categorized into transformation risks and physical risks. Transformation risks include: policy and regulations, reputation, technology, and market. Physical risks encompass: flooding, drought, and high temperatures. Opportunities are divided into four aspects, namely: resource efficiency, energy sources, products and services, and market.</p> <p>Physical risks are assessed with reference to the Taiwan Climate Change Projection Information Platform (TCCIP) and its publication in June 2023, titled “Taiwan Climate Change Key Indicators Atlas: AR6 Statistical Downscaling”, as well as the “Climate Change Disaster Risk Map” published by the National Science & Technology Center for Disaster Reduction. These resources provide projections of long-term climate changes and potential climate risks for the future. The scenarios adopted by the IPCC AR6 combine the Shared Socioeconomic Pathways (SSPs) with the Representative Concentration Pathways (RCPs). Taita Chemical Co., Ltd. has selected the SSP 5 - 8.5 emission scenario (extremely high greenhouse gas emissions, with carbon dioxide emissions expected to double around the year 2050) to conduct future scenario analyses of climate disasters such as high temperatures, flooding, and drought.</p> <p>Transformation risks reference the International Energy Agency’s (IEA) 2021 World Energy Outlook (WEO), which categorizes scenarios based on varying energy trends and climate policies into three types: STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net-Zero Emissions Scenario). Among these, NZE assumes that all countries will achieve net-zero emissions by 2050, representing the most proactive scenario for promoting reduction measures. In addition, we also referenced the “Taiwan 2050 Net Zero Emission Pathways and Strategic Overview” published by the National Development Council in 2022, in response to the national carbon reduction pathway, ensuring that Taita Chemical maintains its resilience for sustainable operations despite the impacts of extreme climate change.</p>

Item	Implementation Status
	Taita Chemical promotes energy conservation and carbon reduction projects to minimize energy and water resource consumption, as well as waste generation in its operations and supply chain. This initiative aims to mitigate the impact on the climate to the greatest extent possible. Furthermore, the Company enhances energy efficiency, invests in green energy equipment, and engages in the research and development of green products to effectively manage and respond to the aforementioned transformations and physical risks, thereby creating more business opportunities and meeting market demands. However, the implementation of this project will also lead to an increase in capital investment and operating costs for Taita Chemical, which will subsequently affect the Company's financial performance.
6. If you have a transition plan in place to mitigate climate-related risks, please provide a detailed description of the plan's content. Additionally, include the indicators and objectives that are utilized to identify and manage both physical and transitional risks.	Taita Chemical uses 2017 as the base year for identifying indicators and targets for greenhouse gas emissions. For further details, please refer to point 9. The indicators and targets for identifying and managing physical risks and transition risks are as follows: Taita Chemical has established energy management objectives in line with the group's carbon reduction targets. The year 2017 has been set as the baseline year, with a goal to reduce carbon emissions by 27% by 2030 and achieve carbon neutrality by 2050. Climate response strategies: short-term (<3 years), replace outdated equipment, enhance energy efficiency, install solar power generation systems, implement green procurement, devise measures to address water shortages and droughts, and mitigate the impact of carbon fees; mid-term (3–5 years), focus on transitioning to low-carbon energy, adopting intelligent monitoring systems, and establishing and utilizing renewable energy sources; long-term (>5 years), continue emphasizing low-carbon fuels, carbon capture and reuse technologies, and negative carbon emission technologies. Disclosure of Greenhouse Gas Emissions: The Sustainability Report includes an annual disclosure of data on Scope 1, Scope 2, and Scope 3 emissions, along with regular reviews to analyze the reasons behind any increases or decreases.
7. If internal carbon pricing is used as a planning tool, it is important to provide an explanation for the basis of price	Taiwan announced the implementation of three sub-regulations on carbon fees on August 29, 2024, and released the carbon fee rates on October 21, 2024. Starting from 2025, emissions will officially be included in the calculation for carbon fees, marking the transition into the era of carbon pricing. In response to government policies aimed at effectively addressing climate change and reducing carbon risks, Taita Chemical implemented an internal carbon pricing system in 2024. The pricing is based on domestic carbon fee pricing standards, with an initial carbon price set at NT\$300 per ton, subject



Item	Implementation Status
determination.	to periodic reviews and phased adjustments. This system primarily integrates carbon costs into the decision-making and investment evaluation processes of the Company, assesses the impact of carbon emissions on business operations, accelerates the implementation of carbon reduction measures, and drives low-carbon investments. In July 2024, the Group conducted two training sessions to help relevant departments understand the concept and application of internal carbon pricing, assisting each factory in its prompt implementation. Additionally, in September, a general course on carbon-related topics was organized, inviting all Group employees to participate, thereby enhancing the awareness on carbon reduction and professional capabilities of all staff, and collectively striving to achieve the Group's carbon reduction goals.
8. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, the annual progress of achievement, etc. should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.	<p>To strengthen its resilience against climate risks, Taita Chemical Company set a target in 2022 to reduce carbon emissions by 27% by 2030 compared to 2017 levels, and further established "carbon neutrality by 2050" as its long-term corporate goal in 2023. In addition, to assess its capacity to address climate risks, the Company referenced the TCFD framework issued by the Financial Stability Board (FSB) in 2015 to analyze the climate risks and opportunities it faces under scenarios of extremely high greenhouse gas emissions. Based on this analysis, the company has formulated mitigation and adaptation strategies, launched various carbon reduction initiatives, and set short-, medium-, and long-term greenhouse gas reduction targets to minimize potential financial impacts and achieve sustainable business operations.</p> <p>Taita Chemical follows the Group's carbon reduction roadmap. In 2023, the greenhouse gas emissions from the three plants in Taiwan have decreased by 17.9% compared to the base year (2017). In the future, the Company will implement energy-saving and carbon reduction programs more aggressively. The mid-term carbon reduction strategy will focus on transitioning to low-carbon energy, enhancing energy efficiency, implementing intelligent monitoring, and establishing and utilizing renewable energy. The long-term carbon reduction strategy will continue to emphasize low-carbon fuels, carbon capture and reuse technologies, and negative carbon emission technologies, in order to achieve carbon neutrality and advance the transition to a low-carbon economy. For details regarding the planning timeline for greenhouse gas emission reductions and the annual progress, please refer to the explanation in point 9, 1-2 below.</p>

Item	Implementation Status
9. Inventory and verification of GHG emissions, along with reduction targets, strategies, and specific action plans (filled in sections 1-1 and 1-2).	Please refer to the detailed explanation below.

1-1 Greenhouse Gas Inspection and Verification of the Company in the Last Two Years

1-1-1 Greenhouse Gas Inventory Information

1. The Parent Company should start the inventory from 2026 in the Parent Company Only Financial Statements.				
2. Subsidiaries should start the inventory from 2027 in the Consolidated Financial Statements.				
Year	2023		2024	
The Company	Emissions (CO ₂ e)	Intensity (metric tons of CO ₂ e / NT\$ million of revenue)	Emissions (CO ₂ e)	Intensity (metric tons of CO ₂ e / NT\$ million of revenue)
Scope 1 (direct GHG emissions)	15,647		15,326	-
Scope 2 (indirect GHG emissions)	49,677		51,706	
Subtotal	65,324		67,032	
Subsidiaries included in the consolidated financial statements	Emissions (CO ₂ e)	Intensity (metric tons of CO ₂ e / NT\$ million of revenue)	Emissions (CO ₂ e)	Intensity (metric tons of CO ₂ e / NT\$ million of revenue)
Scope 1 (direct GHG emissions)	431		421	
Scope 2 (indirect GHG emissions)	11,077		13,648	
Subtotal	11,508		14,069	
Total	76,832	5.0531	81,101	4.3603

Note:

- Inventory calculation for 2023 and 2024 in accordance with ISO 14064-1:2018.
- Consolidated Financial Report of Subsidiaries (including TAITA (BVI) HOLDING Co., Ltd., Taita Chemical (Zhongshan) Co., Ltd., Taita Chemical (Tianjin) Co., Ltd., and Zhangzhou Taita Chemical Co., Ltd.)

3. In 2024, if the carbon emissions from the inspection points account for no more than 5% of the total emissions and there are no significant operational changes, the emissions data from the first year (2023) will be used for calculations. Applicable locations include TAITA (BVI) HOLDING Co., Ltd. and Taita Chemical (Tianjin) Co., Ltd.

1-1-2 Greenhouse Gas Assurance Information

1. The Parent Company should implement assurances from 2028 in the Parent Company Only Financial Statements.			
2. Subsidiaries should implement assurances from 2029 in the Consolidated Financial Statements.			
The implementation and verification status of GHG inventories for the Company and all subsidiaries included in the consolidated financial statements (including Taita (BVI) Holding Co., Ltd., Taita Chemical (ZhongShan) Co., Ltd., Taita Chemical (Tianjin) Co., Ltd., and Zhangzhou Taita Chemical Co., Ltd.) over the past two years are as follows:			
Scope of Assurance		2023 Emissions (tons/CO ₂ e)	2024 Emissions (tons/CO ₂ e)
The Company	(Scope 1) Direct GHG emissions	15,647	Comprehensive assurance information will be disclosed in 2024 Sustainability Report.
	(Scope 2) Indirect GHG emissions	49,677	
	Total	65,324	
	Percentage of the disclosed inspection data mentioned in section 1-1-1 above.	100%	
All subsidiaries included in the consolidated financial statements	(Scope 1) Direct GHG emissions	431	
	(Scope 2) Indirect GHG emissions	11,077	
	Total	11,508	
	Percentage of the disclosed inspection data mentioned in section 1-1-1 above.	100%	
Assurance Institution		Ernst & Young Global Limited	
Note of verification status		Assurance Standard 3410 - Limited Assurance	
Conclusions/Opinions		No qualified conclusions	



Note:

1. In 2023, Taita Chemical's Linyuan Plant is classified as an emission point under the jurisdiction of the Environmental Protection Administration. Therefore, CPA assurance uses the data from the Environmental Protection Administration's verification statement as the basis for the allocation opinion. According to the Taiwan Stock Exchange's "Directions for the Implementation of Assurance Institutions: Q&A Collection," Q1-1, an accountant may issue a GHG integrated opinion report based on the verification statement obtained in accordance with the regulations of the Ministry of Environment, which can be used as a shared opinion.

1-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plan

GHG reduction baseline year and reduction targets:

Taita Chemical Company set a target in 2022 to reduce carbon emissions by 27% by 2030 compared to 2017 levels, and further established "carbon neutrality by 2050" as its long-term corporate goal in 2023.

This target covers three production plants in Taiwan and focuses on Scope 1 and Scope 2 greenhouse gas emissions.

Greenhouse Gas Reduction Strategies and Specific Action Plan:

Implement ISO 14064-1 GHG inventory and verification, promote the energy management system, and plan carbon reduction initiatives; Taita Chemical Co., Ltd. plants are to carry out upgrades, including pump replacements, installation of IE3 or higher efficiency motors, replacement of dryers/air compressors, and reconstruction of hardening furnaces.

Taita Chemical will continue to commit to addressing the challenges posed by climate change and actively promote carbon reduction goals and sustainable development strategies. Based on the achievements of 2023 and the existing carbon reduction strategies,

Taita Chemical envisions achieving a higher carbon reduction target of 27% and reaching carbon neutrality by 2030 and 2050.

Taita Chemical plans aims to strengthen energy management and enhance energy efficiency in the short term (by 2025). The Company will implement an intelligent energy management system and continue promoting energy-saving and carbon reduction improvement projects in its manufacturing processes.

By integrating AI technology to optimize these processes, it aims to achieve more efficient energy utilization and lower carbon emissions. At the same time, Taita Chemical will actively procure green energy to further reduce its reliance on gray energy.

During the mid-term period (2025-2030), Taita Chemical Co., Ltd. plans to promote a low-carbon energy transition and implement an internal carbon pricing mechanism. This will incorporate carbon emission costs into the decision-making process, encouraging all employees and supply chain partners to actively participate in carbon reduction initiatives. Taita Chemical Co., Ltd. will continue advancing energy-saving and carbon reduction projects to ensure annual decreases in GHG emissions, aiming for a 27% reduction by 2030 compared to 2017.

In the long term, Taita Chemical aims to achieve carbon neutrality by 2050. To this end, the Company will continue to focus on Carbon Capture, Utilization, and Storage (CCUS) technologies and negative carbon technologies, integrating these innovative solutions into existing production and operational processes.

Furthermore, Taita Chemical will continuously enhance its climate change risk management by conducting risk analyses and developing response strategies based on various climate scenarios, ensuring the resilience of the Company's operations. The Company

will also regularly review and update its carbon reduction goals and strategies, and disclose progress and results to stakeholders through publicly available sustainability reports.

Status of Reduction Target Achievement:

In 2024, Taita Chemical's three production plants in Taiwan conducted a self-assessment of their greenhouse gas emissions for 2024. The total emissions for Scope 1 were 16,639 tons of CO₂e, and for Scope 2, they were 51,704 tons, totaling 68,300 tons of CO₂e. This represents a 14.25% reduction compared to the base year (2017 emissions of 79,700 tons of CO₂e).

- (VI) Implementation of Ethical Management; Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Therefor

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the Company establish an ethical corporate management policy approved by the Board of Directors, and declare its ethical corporate management policy and measures in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?</p>	V		<p>(I) Ethical Management Policy</p> <p>The Group upholds the business philosophy of “Solid Operation, Professional Management, Seeking Excellence and Serving the Society” and exercises its corporate culture that “seeks truth, honesty and comprehensiveness”. The Company has established the “Ethical Corporate Management Best Practice Principles” “Procedures for Ethical Management and Guidelines for Conduct”, “Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers”, which were approved by the Board of Directors, to specify its ethical corporate management policies. The Company’s Board of Directors and the General Manager have signed statements of ethical</p>	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies”.



Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
(II) Does the Company establish an assessment mechanism for unethical risks, according to which it analyzes and assesses operating activities with high potential unethical risks? Does the mechanism include any precautionary measures against all the conducts as stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		<p>management to fulfill their commitments in management policies.</p> <p>(II) Code of Conduct for Ethical Corporate Management and Preventive Measures</p> <p>The Company has established the Ethical Corporate Management Best Practice Principles, which has been approved by the Board of Directors, and established a risk assessment mechanism for unethical conduct to regularly analyze and evaluate business activities with higher risk of unethical conduct within the business scope, so as to formulate prevention programs, while reviewing the adequacy and effectiveness of prevention programs on a regular basis and strengthening relevant preventive measures.</p> <p>The prevention programs adopted by the Company shall include preventive measures against the following actions:</p>	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies”.

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
			<ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. 	

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
(III) Does the Company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?	V		<p>(III) Ethical management and reporting channels</p> <ol style="list-style-type: none"> 1. The Company has established the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct with the approval of the Board of Directors, which specifically regulate the matters to which Directors, managerial officers, employees and persons in effective control should pay attention in the execution of their business, and the disciplinary and complaint systems for non-compliance. 2. The Company has established the “Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct” to promote the reporting of any illegal behavior or violation of the Code of Conduct or the Ethical Corporate Management Principles. Multiple reporting channels are provided, allowing employees or external parties to report illegal, unethical, or dishonest 	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies”.

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
			<p>behavior. A designated professional handles the reports, ensuring confidentiality of the whistleblower’s identity and the content of the report. Whistle-blowing channels are as follows:</p> <ul style="list-style-type: none"> ● Audit Committee email: Disclosed on the Company’s website, accepting reports from shareholders, investors, and other stakeholders. ● Group Audit Office: Reporting hotline 2650-3783. ● Group Human Resources Division: Grievance hotline (extension 2609) and email address (usighr@usig.com). ● Employee complaint mailboxes are located next to the security office or bulletin board in the factory area; in the Taipei office area, they are situated on the 6th floor of the USI Building. 	

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
			3. Related regulations have been fully implemented and we continue to organize training courses to promote the ideals.	
II. Implementing Ethical Corporate Management				
(I) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	V		(I) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct.	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies”.
(II) Has the Company established an exclusively (or concurrently) dedicated unit under the Board to implement ethical corporate management, and report to the Board on a regular basis (at least annually) about the ethical corporate	V		(II) To strengthen ethical corporate management, the corporate governance team is responsible for establishing the ethical corporate management policy and prevention programs while supervising such implementation; the Corporate Governance Officer reports to the Board of Directors regularly at least once a year. The Director of Corporate Governance shall report	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies”.

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
management policies, precautionary measures against unethical conducts, as well as the implementation and supervision thereof?			<p>to the Board of Directors on November 6, 2024 on the implementation of ethical business for the year, including the following:</p> <ol style="list-style-type: none"> 1. Cooperate with laws and regulations to formulate and implement relevant regulations for the implementation of honest business policy 2. Regularly analyze and assess the risk of dishonest conduct in the business area. Assess the risk of dishonest conduct within the business scope according to the checklist for assessing the risk of dishonest conduct. 3. The Company has planned its internal organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope. 4. It promoted and coordinated honesty policy advocacy training. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. No illegal incidents were reported this year. 	

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
<p>(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?</p> <p>(IV) Does the Company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining</p>	V		<p>6. Assist the Board of Directors and the General Manager in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical corporate management are carried out effectively, and prepare reports on the regular assessment of compliance with operating procedures.</p> <p>(III) The Company has formulated the Code for Ethical Conduct of Directors and Managerial Officers to prevent conflict of interest and provide suitable channels for Directors, managers, and employees to explain any potential conflict of interest with the Company.</p> <p>(IV) The Company’s accounting systems and internal control systems can run independently and objectively. Internal control personnel regularly report the audit opinions to the Audit Committee and the Board of Directors. CPAs appointed by the Company regularly perform internal audits and hold discussions with the management.</p>	<p>Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies”.</p> <p>Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies”.</p>

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
accordingly the compliance with the prevention programs, or engaging CPAs to carry out the audit?			After conducting risk assessment, the internal audit unit formulates the audit plan for the next year, and adds the audit item”management of reports of illegal and unethical or dishonest conduct” to check the compliance with the scheme for preventing dishonest conduct.	
(V) Does the Company regularly hold internal and external training on ethical corporate management?	V		(V) To facilitate the understanding and promotion of the Group’s integrity and ethical standards among the Company’s directors, managers, and employees, the Company requires that all employees adhere to the ethical corporate management policy as a condition of employment. Employees are required to sign a commitment letter on their first day of work, pledging to comply with the Company’s ethical corporate policy. Directors and senior managers are also required to sign a statement of integrity management upon their appointment, which is kept on file by designated personnel for reference. In order to implement good-faith management and	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies”.



Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies																				
	Yes	No	Overview																					
			<p>ethical behavior, the Company continues to promote and hold training courses on a regular basis, reinforcing employee awareness through assessments. In 2024, the Company held totally 750 hours of education and training related to ethical management issues, with a total of 535 participants including both employees and directors. The breakdown of the courses is as follows</p> <table> <tr> <th>Course name</th> <th>course Hours</th> <th>Total number of passengers</th> <th>Training totalHours</th> </tr> <tr> <td>[Integrity Lecture] Supervisor’ s understanding of illegal infringement in the workplace.</td> <td>2</td> <td>34</td> <td>68</td> </tr> <tr> <td>[Integrity Lecture]Workplace ethics stop and listen.</td> <td>2</td> <td>61</td> <td>122</td> </tr> <tr> <td>[Integrity Lecture]No-fault liability for goods</td> <td>2</td> <td>80</td> <td>160</td> </tr> <tr> <td>[Integrity Lecture]Case analysis of letter of</td> <td>2</td> <td>40</td> <td>80</td> </tr> </table>	Course name	course Hours	Total number of passengers	Training totalHours	[Integrity Lecture] Supervisor’ s understanding of illegal infringement in the workplace.	2	34	68	[Integrity Lecture]Workplace ethics stop and listen.	2	61	122	[Integrity Lecture]No-fault liability for goods	2	80	160	[Integrity Lecture]Case analysis of letter of	2	40	80	
Course name	course Hours	Total number of passengers	Training totalHours																					
[Integrity Lecture] Supervisor’ s understanding of illegal infringement in the workplace.	2	34	68																					
[Integrity Lecture]Workplace ethics stop and listen.	2	61	122																					
[Integrity Lecture]No-fault liability for goods	2	80	160																					
[Integrity Lecture]Case analysis of letter of	2	40	80																					

Evaluation Item	Implementation Status (Note)					Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview			
			credit trade insurance			
			[Integrity Lecture]Employee Behaviour Measurement	1	320	320
			Total		535	750
III. Implementation of the Company’s whistleblowing system (I) Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to handle investigations against wrongdoers?	V		(I) The Company’s Board of Directors passed the amendments to the “Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct” on November 13, 2019 (Website: https://www.ttc.com.tw/OthersPDF/TTC_HandlingForIllegalImmoral.pdf). The specific whistleblowing channels, incentive system, dedicated personnel, and whistleblower protection are as follows: 1. Whistle-blowing channels: (1) Personal reporting: In-person explanation. (2) Report via telephone: 02-26503783 (3) Written report: Audit Division, 7F., No. 37, Jihu Rd., Neihu Dist., Taipei City.			Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies”.



Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
			<p>2. Incentive system: Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to the General Manager to provide the whistleblower with appropriate rewards.</p> <p>3. Dedicated personnel: (1) Audit Committee: Accept reports from shareholders, investors, and other stakeholders. (2) Audit Office: Accept reports from customers, suppliers, and contractors. (3) HR Department: Accept reports from employees.</p> <p>4. Whistle-blower protection: Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected</p>	

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
			to unfair treatment or retaliation. If the whistleblower is an employee, the Company guarantees the employee	
(II) Has the Company established standard operating procedures for the investigation of reports, follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	V		<p>No improper treatment will be incurred as a result of reporting.</p> <p>(II) The measures mentioned in the preceding paragraph specify the standard operating procedures for investigating the case being exposed by the whistleblower and the relevant confidentiality mechanism; where whistleblower is anonymous or did not use his/her true name, or the</p>	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies”.



Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
(III) Has the Company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?	V		<p>content stated or the proof of origin provided is deemed necessary for investigation, the case may still be reported to the Chairman/General Manager before the case is handled and recorded as a reference for internal review. Once they are verified as true, the Company shall, based on the violation or severity of the violation, implement disciplinary measures and process such violations in accordance with related regulations.</p> <p>(III) The procedures above also specify that whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities fully maintained, so that they will not be subjected to unfair treatment or retaliation.</p>	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies”.
IV. Strengthening Information Disclosure Has the Company disclosed the content and effectiveness of its integrity management principles on	V		<p>The Company has disclosed relevant regulations and information on ethical corporate management on the Company’s website, which is available for employees at any time. (Website: https://www.ttc.com.tw/OthersPDF/TTC_FaithManage</p>	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies” and reasons for such discrepancies
	Yes	No	Overview	
the Company’s website and the Market Observation Post System?			Rule.pdf). The information related to ethical corporate management and the effectiveness of implementation is disclosed on the MOPS website and in the annual report.	Companies”.
<p>V. If the Company has established the Ethical Corporate Management Principles based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the policies and the implementation: The Company has established its “Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers”, the “Ethical Corporate Management Best Practice Principles”, the “Procedures for Ethical Management and Guidelines for Conduct”, the “Code of Conduct for Employees Regarding Concurrent and Part-time Work”, and the “Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct”. The operation is in accordance with the Ethical Corporate Management Best Practice Principles.</p>				
<p>VI. Other important information to facilitate better understanding of the Company’s ethical corporate management (e.g., review of and amendments to ethical corporate management policies) The Company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, which were approved by the Board of Directors, in accordance with the amended Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies announced by the competent authority. The Corporate Governance Officer reports to the Board of Directors once each year. On November 6, 2024, it reported to the Board of Directors on matters related to ethical corporate management.</p>				

- (VII) Other material information that can enhance the understanding of the state of corporate governance at the Company:

The Company regularly audits its subsidiaries and regularly analyzes and reviews the financial and business information of its subsidiaries in accordance with the requirements for supervision and monitoring of subsidiaries stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies.

- (VIII) Implementation Status of Internal Control System:

1. Statement of Internal Control

The internal control system declaration for 2024 has been publicly announced on the Market Observation Post System. Please refer to the Market Observation Post System under Single Company / Corporate Governance / Company Regulations / Internal Control / Internal Control Declaration Announcement:

Taita Chemical Company, Ltd.

Internal Control System Statement

Date: March 5, 2025

The Company makes the following statement according to the self-evaluation conducted of the internal control system in 2024:

- I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Company's Board of Directors and managerial officers, and thus the Company has established such a system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.
- II. An internal control system has inherent constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above-mentioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.



- III. The Company determines whether or not the design and implementation of its internal control system is effective according to the items for determining the effectiveness of internal control systems as stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the “Regulations”). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communication; and (5) Monitoring Activities. Each component includes a number of items. For more information on the above-mentioned items, please refer to the Regulations.
- IV. The Company has adopted the items for determining internal control systems in order to evaluate the effectiveness of its internal control system design and implementation.
- V. Based on the above results, the Company believes that the design and implementation of its internal control systems (including supervision and management of its subsidiaries), as of December 31, 2024, and the understanding of the level of goal achievement in regards to operational benefits and efficiency, as well as whether the reporting is reliable, timely and transparent and whether it complies with the relevant laws and regulations, is effective and can reasonably assure the accomplishment of the above-mentioned goals.
- VI. The Statement shall become the main content of the Company’s annual report and prospectus, and shall be made public. Should the above-mentioned content contain illegalities such as fraudulent and hidden information, the Company shall assume legal liabilities involving Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. In witness whereof, this statement was approved by the Board of Directors of the Company on March 5, 2025, among which eight Directors were present, all agreeing to the contents of this statement.

Taita Chemical Company, Ltd.

Chairman: Quintin Wu

Signature

General Manager: Pei-Chi Wu

Signature

2. Any CPA commissioned to conduct a project review of the ICS shall disclose the CPA's audit report: None.

(IX) Critical resolutions made during shareholders and Board of Directors' meetings and implementation status in the most recent fiscal year up to the publication date of this annual report

1. Shareholders' Meeting

Year of Meeting	Date of Meeting	Key Resolutions
2024	2024/5/31	<p>The minutes of the Shareholders' Meeting were posted onto MOPS on June 19, 2024. The resolutions and their status of implementation are as follows:</p> <ol style="list-style-type: none"> 1. Approved the 2023 financial statements. Implementation status: Resolution passed 2. Approve the 2023 earnings distribution plan. Implementation status: Resolution passed The distribution of cash dividends of NT\$119,276,054 to the shareholders, with August 2, 2024 as the record date, was completed on August 23, 2024. 3. Nine directors were re-elected: Five directors: Quintin Wu; Ma, I-Kung; Wu, Pei-Chi; Ying, Bao-Luo; and Pi, Shu-Chien. Four independent directors: Chen, Tien-Wen; Wei, Yung-Tu; Li, Kuo-Hsiang; and Chen Piao-Chun. Execution Status: At the recent Shareholders' Meeting, nine directors (including four independent directors) were elected for a three-year term, starting from May 31, 2024, to May 30, 2027, and they assumed their positions following the conclusion of the meeting. 4. Discussed the removal of the non-compete clause for newly-appointed Directors. Implementation status: Resolution passed

2. Board of Directors

Session (Year) of Meeting	Date of Meeting	Key Resolutions
2024 1st Meeting	2024/3/7	<ol style="list-style-type: none"> 1. Passed the replacement of the accounting manager of the Company. 2. Approved accounting supervisors to engage in competition. 3. Approved the 2023 financial statements. 4. Approved the 2023 profit distribution plan.



Session (Year) of Meeting	Date of Meeting	Key Resolutions
		5. Approved the reelection of directors at the annual general meeting. 6. Approved the recommendation to lift competition restrictions against newly-appointed Directors at the general shareholders' meeting. 7. Approved matters related to the convening of the 2024 general shareholders' meeting. 8. Approved the period and location for accepting shareholder proposals. 9. Approved the 2024 evaluation of the independence and qualification of appointed CPAs 10. Approved the appointment of the accountant of 2024. 11. Approve the amendment to Board of Directors Meeting Regulations. 12. Approve the amendment to certain articles of the Audit Committee Charter. 13. Approved the issuance of the Internal Control System Statement in 2023. 14. Approved the authorization of the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions. 15. Approved managerial officers to engage in competitions.
2024 2nd Meeting	2024/4/17	List of candidates for directors (including independent directors) nominated by shareholders holding more than 1% of the Company's shares.
2024 3rd Meeting	2024/5/7	1. Approve the 1Q2024 Consolidated Financial Statements. 2. Through the revision of the Company's internal control system.
2024 4th Meeting	2024/6/5	1. Elected Quintin Wu as the Chairman of the Company's Board of Directors. 2. Approved the appointment of independent directors Wei, Yung-Tu; Chen, Tien-Wen; and Li, Kuo-Hsiang to serve on the Remuneration Committee. 3. Approved the appointment of independent directors Li, Kuo-Hsiang; Chen, Tien-Wen; and Chen, Piao-Chun to serve on the Company's ESG Committee.
2024 5th Meeting	2024/8/6	1. Ratify to sign a three-year medium-term loan limit with Taishin International Bank.

Session (Year) of Meeting	Date of Meeting	Key Resolutions
		<ol style="list-style-type: none"> 2. Ratified the conclusion of a three-year medium-term loan limit with EnTie Commercial Bank, Ltd. 3. Ratified the provision of endorsement guarantee for subsidiary TAITA (BVI) Holding Co., Ltd. 4. Approved the 2Q2024 Consolidated Financial Statements. 5. Approval of the 2023 sustainability Report. 6. Approved the appointment of the Company's financial officer. 7. Approved the amendments to some provisions in the Corporate Governance Best Practice Principles.
2024 6th Meeting	2024/11/6	<ol style="list-style-type: none"> 1. Ratified the renewal of the three-year medium-term loan limit signed with Bank of China, Taipei Branch. 2. Approved the replacement of the accounting manager of the Company. 3. Approve the 3Q2024 Consolidated Financial Statements. 4. Approved the annual audit budget in 2025. 5. Approved CPAs' remuneration for 2024. 6. Approved the amendments to certain provisions of the Company's internal control system. 7. Approved the annual audit plan in 2025. 8. Permit managerial officers to engage in competitions
2025 1st Meeting	2025/3/5	<ol style="list-style-type: none"> 1. Approved the 2024 financial statements. 2. Approved the 2024 profit distribution plan. 3. Approved the amendment to certain articles in the Articles of Incorporation. 4. Established the scope of the Company's "grassroots employees." 5. Approved the recommendation to lift competition restrictions against newly-appointed Directors at the general shareholders' meeting. 6. Approved matters related to the convening of the 2025 general shareholders' meeting. 7. Approved the period and location for accepting shareholder proposals. 8. Approved the authorization of the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions.



Session (Year) of Meeting	Date of Meeting	Key Resolutions
		9. Approved the 2025 evaluation of the independence and qualification of appointed CPAs. 10. Approved the appointment of CPAs for 2025. 11. Approved the issuance of the internal control system statement in 2024. 12. Approved donations to the USI Education Foundation.

- (X) For the most recent year and up to the date of publication of the annual report, if a director or supervisor has different opinions on important resolutions passed by the Board of Directors and there are records or written statements, the main content is: none.

IV. CPA fee Information

CPA fee Information

Unit: NT\$ 1,000

Name of CPA firm	CPAs	CPA's audit period	Audit fees	Non-Audit fees	Total
Deloitte & Touche	Chiu, Cheng-Chun and Huang, Hsiu-Chun	2024/01/01-2024/12/31	2,600	480	3,080

Please specify the non-audit services: tax certification 410 / others 70

Note: If the Company has replaced the CPAs or accounting firm in the current fiscal year, the audit period should be listed separately, and the reason for replacement should be stated in the "remark" column. Information regarding the audit and non-audit fees paid should also be disclosed in order. Non-audit fees should be listed in the "Remarks" column.

- (I) Where the CPA firm was replaced, and the audit fees in the fiscal year when the replacement was made was less than that in the previous fiscal year before replacement, the amount of audit fees paid before replacement and reasons for paying this amount
- The Company has not changed the CPA firm in 2024, and thus it is not applicable.
- (II) Where the audit fees were reduced by more than 10 percent compared to the previous fiscal year, the amount and percentage of decrease in audit fees, as well as the reason
- The Company's audit fee has not been reduced by more than 10% of that paid in the previous year. This is therefore not applicable.

V. Information on Replacement of CPA

(I) Previous CPAs: Not applicable

Date of Replacement			
Replacement reasons and explanations			
Statement on whether the authorizing party or the accountant terminate or reject the authorization	Contracting Party	CPA	Appointer
	Scenario		
	Termination of appointment	N/A	
No longer accepted (continued) appointment			
Other issues (except for unqualified issues) in the audit reports within the last two years	2024 and 2023 audit reports had no qualified opinions		
Is there any disagreement with the issuer?	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Others
	None	V	
Descriptions: None			
Other Revealed Matters (Matters that should be disclosed in accordance with Item 1-4 to 1-7, Subparagraph 6, Article 10 of the Regulations)	None		

(II) Successor CPAs: Not applicable

Name of CPA Firm	
Name of CPAs	
Date of Appointment	
Subjects and outcomes of consultation on the accounting treatment of or application of accounting principles to specific transactions, or opinions that might be included on financial statements before the appointment of new CPAs	
Written opinions from successor CPA to former CPA on disagreements Written views on disagreements	

(III) Former CPA's response to Article 10, Subparagraph 5, Item 1 and Item 2-3 of the accounting standards: Not applicable.



VI. The Company's Directors, General Manager, Managerial Officer in Charge of Finance or Accounting Who Has Served in a CPA's Accounting Firm or Its Affiliated Companies in the Most Recent Fiscal Year Shall Disclose Their Names, Positions and the Period of Employment in CPA's Accounting Firm or Its Affiliated Companies: None.

VII. Equity Transfer or Changes in Equity Pledged by the Company's Directors, Managerial Officers or Shareholders with Shareholding Percentage Exceeding Ten (10) Percent in the Most Recent Fiscal Year up to the Publication Date of this Annual Report

(I) Changes in shareholdings of Directors, Supervisors, managerial officers and substantial shareholders

Share Equity Change Status for Directors, Supervisors, Managers and Major Shareholders [Position (Note 1)]	Name	2024		For the year ended March 31, 2025	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Major Shareholder	Union Polymer International Investment Corporation	0	0	0	0
Director	Quintin Wu (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Wu, Pei-Chi (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
Shareholder	USIFE Investment Co., Ltd.	0	0	0	0
Director	Ma, I-Kung (representative of USIFE Investment Co., Ltd.)	0	0	0	0

Share Equity Change Status for Directors, Supervisors, Managers and Major Shareholders [Position (Note 1)]	Name	2024		For the year ended March 31, 2025	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
	Ying, Bao-Luo (representative of USIFE Investment Co., Ltd.)	0	0	0	0
Shareholder	Taiwan Union International Investment Corporation	0	0	0	0
Director	Ko, I-Shao (representative of Taiwan Union International Investment Corp.) (dismissed on March 1, 2024)	0	0	N/A	
	Bi, Shu-Chien (representative of Tai Lien International Investment Co., Ltd.) (newly appointed on March 1, 2024)	0	0	0	0
Independent Director	Chen, Tien-Wen	0	0	0	0
	Wei, Yung-Tu	0	0	0	0
	Li, Kuo-Hsiang	0	0	0	0
	Chen Piao-Chun (appointed on May 31, 2024)	0	0	0	0
Chief Executive Officer	Quintin Wu	0	0	0	0
General Manager	Wu, Pei-Chi	0	0	0	0
Senior Manager	Huang, Chun-Hao	0	0	0	0
Corporate Governance Officer	Chen, Yung-Chih	0	0	0	0



Share Equity Change Status for Directors, Supervisors, Managers and Major Shareholders [Position (Note 1)]	Name	2024		For the year ended March 31, 2025	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Head of Accounting Department	Chang, Pi-Ling (appointed on January 16, 2024 and dismissed on March 7, 2024)	0	0	N/A	
	Wu, Chia-Ling (appointed on March 7, 2024; dismissed on October 1, 2024)	0	0	N/A	
	Li, Chun-Yao (appointed on November 6, 2024)	0	0	0	0
Head of Finance Department	Chuang, Kai-Hui (dismissed on July 1, 2024)	0	0	N/A	
	Luo, Fei-Yun (appointed on August 6, 2024)	0	0	0	0

Note 1: Shareholders who hold more than ten (10) percent of the Company's shares shall be noted as major shareholders, and listed separately.

Note 2: Counterparties involved in equity transfer or pledging of shares to related parties should be shown in the following table.

- (II) Share transfer information: Information on the counterpart of equity pledge not being a related party of the Company's directors, supervisors, managers and shareholders holding over 10% of total shares

Name (Note 1)	Reason for Equity Transfer (Note 2)	Date of Transaction	Transferee	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten (10) percent	Number of Shares	Transaction Price
N/A						

Note 1: Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent.

Note 2: Fill either “Acquisition” or “Disposal”.

- (III) Information on pledging of shares: No counterparty involved in pledging of shares is a related party of the Company’s Directors, Supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent.

Name (Note 1)	Reason for Pledging of Shares (Note 2)	Date of Change	Transferee	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten (10) percent	Number of Shares	Percentage of Shares Held	Percentage of Shares Pledged	Pledge (Redemption) Amount
N/A								

Note 1: Fill the name of the Company’s directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent.

Note 2: Fill in either “Pledged” or “Redeemed.”

VIII. Relationship Information, if among the Company’s Top 10 Shareholders any one is a Related Party, Spouse or a Relative within the Second Degree of Kinship

March 30, 2025

Name (Note 1)	Shares Held in Person		Shares Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Title or name and relationship of top 10 shareholders who are defined by the Statement of Financial Accounting Standard No. 6 to be related parties or each other’s spouses and relatives within the second degree of kinship		Notes
	Number of Shares	Percentage of Shares Held (Note 2)	Number of Shares	Percentage of Shares Held (Note 2)	Number of Shares	Shareholding Percentage (Note 2)	Name	Relationship (Note 3)	
Union Polymer International Investment Corporation	146,263,260	36.79%	—	—	0	0%	China General Terminal and Distribution Corporation USIFE Investment Co., Ltd.	Same ultimate parent company	
Representative : Quintin Wu	0	0%	—	—	0	0%			
Taiwan Union	8,854,995	2.23%	—	—	0	0%	None	None	



Name (Note 1)	Shares Held in Person		Shares Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Title or name and relationship of top 10 shareholders who are defined by the Statement of Financial Accounting Standard No. 6 to be related parties or each other's spouses and relatives within the second degree of kinship		Notes
	Number of Shares	Percentage of Shares Held (Note 2)	Number of Shares	Percentage of Shares Held (Note 2)	Number of Shares	Shareholding Percentage (Note 2)	Name	Relationship (Note 3)	
International Investment Corporation									
Representative : Pi, Shu-Chien	0	0%	0	0%	0	0%	China General Terminal and Distribution Corporation	Director	
China General Terminal & Distribution Corporation	2,278,217	0.57%	—	—			Union Polymer International USIFE Investment Co., Ltd.	Same ultimate parent company	
Representative : Chang, Hung-Chiang	0	0%	0	0%	0	0%	None	None	
Citibank acting as custodian for Berkeley Capital SBL/PB Investment Account	1,693,000	0.43%	—	—					
USIFE Investment Co., Ltd.	1,415,368	0.36%	—	—	0	0%	Union Polymer International China General Terminal and Distribution Corporation	Same ultimate parent company	
Representative: Quintin Wu	0	0%	—	—	0	0%			
Zheng, He-Xin	1,280,000	0.32%	The shareholder did not provide information.						
Huang, Tsung-Ming	900,000	0.23%	0	0%	0	0%	None	None	
Chen, Shun-Wen	883,000	0.22%	The shareholder did not provide information.						
Li, Yao-Kuei	826,875	0.21%	0	0%	0	0%	None	None	
HSBC Bank (Hong Kong and Shanghai Banking Corporation) Taipei Branch acting as	789,915	0.20%	—	—					

Name (Note 1)	Shares Held in Person		Shares Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Title or name and relationship of top 10 shareholders who are defined by the Statement of Financial Accounting Standard No. 6 to be related parties or each other's spouses and relatives within the second degree of kinship		Notes
	Number of Shares	Percentage of Shares Held (Note 2)	Number of Shares	Percentage of Shares Held (Note 2)	Number of Shares	Shareholding Percentage (Note 2)	Name	Relationship (Note 3)	
custodian for the investment account of Merrill International Company									

Note 1: All the top ten shareholders shall be listed (names of corporate shareholders and their representatives shall be presented separately).

Note 2: Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note 3: Relationships between the aforementioned shareholders, including juristic person shareholders and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

IX. Number of Shares Held by the Company, Its Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Investment Companies in the Same Investment Companies, and the Combined Calculation of Shareholding Percentages

December 31, 2024 Unit: Shares

Reinvestment Entities	Ownership by the Company		Investments by Directors Supervisors, managerial officers and directly or indirectly controlled enterprises		Combined Investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
TAITA(BVI) Holding Co., Ltd.	89,738,000	100.00%	0	0.00%	89,738,000	100.00%
China General Plastics Corporation	11,516,174	1.98%	0	0.00%	11,516,174	1.98%
China General Terminal & Distribution Corporation	25,053,468	33.33%	0	0.00%	25,053,468	33.33%
Acme Electronics Corporation	4,991,556	2.34%	1,510,750	0.71%	6,502,306	3.05%

Note: Invested by the Company using the equity method



Chapter 3. Funding Status

I. Capital and Shares

(I) Source of share capital

Year and Month	Par Value	Authorized Capital		Paid-in Stock Capital		Notes		
		Number of Shares	Amount (NT\$)	Number of Shares	Amount (NT\$)	Source of capital stock (NT\$)	Capital Increase by Assets Other than Cash	Others
2022.8	10	400,000,000 shares	NT\$4,000,000,000	397,586,848 shares	NT\$3,975,868,480	Capitalization of earnings of NT\$189,327,070 (Note)	None	None

(Note) Approved with document No. J.S.S.Z. 11101161590 dated August 26, 2022.

Note 1: Fill information for the current fiscal year as of the publication date of this annual report.

Note 2: The effective (approval) date together with the doc. No. should be added for any capital increase.

Note 3: Shares traded below par value shall be indicated in a clear manner.

Note 4: Capital increase by currency debts or technology should be stated, and the type and amount of assets involved in such capital increase should be noted.

Note 5: Shares traded via private placement shall be indicated in a clear manner.

Share type	Authorized Capital			Notes
	Outstanding Shares (Note)	Unissued Shares	Total	
Registered Common Stock	397,586,848 shares issued	2,413,152 shares	400,000,000 shares	-

Note: Please indicate whether the shares are issued by a company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) (Shares of which trading is restricted on the TWSE or those which are traded on the TPEX should be noted).

Information on shelf registration: N/A.

(II) List of Major Shareholders

March 30, 2025

Names of Substantial Shareholders	Shares Held	Shareholding Ratio
Union Polymer International Investment Corporation	146,263,260	36.79%
Tai Lien International Investment Co., Ltd.	8,854,995	2.23%
China General Terminal & Distribution Corporation	2,278,217	0.57%
Citibank Custody Berkeley Capital SBL/PB Investment Account	1,693,000	0.43%
USIFE Investment CO., Ltd.	1,415,368	0.36%
Zheng He-xin	1,280,000	0.32%
Huang, Tsung-Ming	900,000	0.23%
Chen, Shun-Wen	883,000	0.22%
Li, Yao-Kuei	826,875	0.21%
HSBC Bank (Hong Kong and Shanghai Banking Corporation) Taipei Branch is entrusted with the custody of the investment account of Merrill International Company	789,915	0.20%

(III) Dividend Policy and Its Implementation

1. Dividend policy set forth in the Company's Articles of Incorporation:

If the Company records net income after tax (NIAT) as indicated in its final annual accounts for the year, it can use it to cover any accumulated losses in previous years. If there is a balance remaining, ten percent of it shall be set aside as legal reserve, while the rest shall be considered as distributable profit. This distributable profit shall then be combined with the undistributed earnings accumulated over the previous years. Part of this combined amount shall be considered as or transferred to special reserve as required by the law or the authority in charge, and the balance shall be treated as accumulated distributable profit. The Board of Directors shall propose a profit distribution plan which is then submitted to the shareholders' meetings for approval. The meeting may retain all or part of it based on the business performance of the Company.



According to the Company's Articles of Incorporation, R&D requirements and business diversification are considered when allocating dividends as the Company's industry is at a maturity stage. Dividends paid to shareholders shall not be less than ten (10) percent of distributable profit in the current fiscal year and cash dividends shall not be less than ten (10) percent of the total dividends. However, dividends may be stopped if the distributable profit per share in the current fiscal year is less than NT\$ 0.1.

2. Distribution of dividends proposed at the most recent Shareholders' Meeting

The cash dividend per share was NT\$0.2.

3. Any expected material changes to the dividend policy should further be explained:

N/A.

(IV) The impacts of issuing stock grants in this Shareholder's Meeting on the Company's operational performance and dividend per share:

The Company did not formulate a financial forecast for 2025 and is therefore not required to disclose forecast information.

Item		Year	2025 (forecast)
Beginning paid-in capital			NT\$3,975,868,480
Distribution of stock and cash dividends in the current fiscal year	Cash dividends per share		NT\$0.2
	Number of shares distributed per share held due to capital increase from surplus earnings		
	Number of shares distributed per share held due to capital increase by capital reserves		
Changes in Business Performance	Operating Income		
	Percentage of increase (decrease) in operating profit over the same period in the previous fiscal year		
	Net income after taxes (NIAT)		
	Percentage of increase (decrease) in NIAT over the same period in the previous fiscal year		
	Earnings per share:		

Item	Year		2025 (forecast)
	Percentage of increase (decrease) in EPS over the same period in the previous fiscal year		
	Annual average return on investment (reciprocal of average annual price/earnings ratio)		
Pro forma earnings per share and price/earnings ratio	If capital increase from surplus earnings is entirely replaced by distribution of cash dividends	Pro forma earnings per share	
		Pro forma average annual return on investment	
	If capital reserves are not used for capital increase	Pro forma earnings per share	
		Pro forma average annual return on investment	
	If capital reserves are not used for capital increase and capital increase by retained earnings is replaced by cash dividend distribution	Pro forma earnings per share	
		Pro forma average annual return on investment	

1. The Company shall explain the basic assumptions for estimates and planned information.
2. Proforma earnings per share if capital increase by retained earnings is entirely replaced by cash dividend distribution

$$= [\text{Net income after tax} - \text{interest expense on imputed cash dividends}^* \times (1 - \text{tax rate})] / [\text{Total number of shares outstanding at the end of the year} - \text{number of shares allotted from surplus}^{**}]$$

Interest expenses arising from cash dividends* = Amount of capital increase from surplus earnings x one-year general loan interest rate.
Number of shares in earnings appropriation **: The number of increased shares from the earnings appropriation in the previous year
3. Annual average price-to-earnings ratio = Annual average market price per share / Earnings Per Share reported in the annual financial statements



- (V) Remuneration for Employees, Directors, and Supervisors:
1. Quantity or scope of compensation for employees, directors, and supervisors as prescribed by the Articles of Incorporation
 - (1) Employee remuneration percentage or range: Employee remuneration shall not be less than 1% of the profit of the current year.
 - (2) Percentage or scope of rewards for directors: the rewards of directors shall not be more than 1% of the profit for the year.
 2. Basis for estimating the amount of compensation to be distributed to employees, Directors and Supervisors, basis for calculating the number of shares to be distributed as employee rewards and accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed for this period:
 - (1) Basis of estimation: The Company's rewards for employees shall be not lower than 1% of profit of the current year and the rewards of directors shall be not higher than 1% of the profit of the current year. However, if there are still accumulated losses, the amount to be compensated should be retained in advance.
 - (2) Changes in account processing: If changes are made to the estimated amount after the issuance of the annual consolidated financial statements, the changes shall be accounted for as changes in accounting estimates and considered in the financial statements of the following year.
 3. The Board of Directors approved the distribution of rewards
 - (1) Number, reason and disposition of the difference between the rewards of employees and the rewards of directors and supervisors distributed in cash or stock and the annual estimated amount of the recognized expenses:

- a. Employees' compensation and remuneration of directors
 - b. Discrepancy between the amount and the estimate for the year: None
 - c. Reason for the difference with the estimate: N/A.
 - d. Disposition: Not applicable.
- (2) The amount of rewards of employees distributed in stocks and the amount as a percentage of net income stated in the consolidated and parent company only financial statements for the current period and total employee rewards: N/A.
4. Where there is any discrepancy between the actual amount of rewards distributed to employees, directors and supervisors (including number and amount of shares distributed, as well as share price) and the recognized amount of rewards for employees, directors and supervisors in the previous fiscal year, the amount, causes and treatment of such discrepancies shall be stated:
 - (1) Employees' compensation and remuneration of directors: None.
 - (2) for the year: None.
 - (3) Reason for the differences: Not applicable.
 - (4) Disposition: Not applicable.
- (VI) Stock repurchases: Not applicable.



II. Issuance of Corporate Bonds

- (I) Corporate Bonds: None.
- (II) Information regarding the Conversion of Corporate Bonds: None.
- (III) Information regarding Corporate Bond Swap: None.
- (IV) Information regarding Shelf Registration for Corporate Bonds: None.
- (V) Information regarding Equity Warrant Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Global Depository Receipts: None.

V. Issuance of employees' stock option certificate and new restricted employee shares: None

VI. Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

VII. Implementation of Capital Utilization Plan

(I) Content:

As of the quarter prior to the publication date of this annual report, the Company has no securities issuance that was incomplete or completed over the past three years but not fully yielded the planned benefits.

(II) Implementation status: Not applicable.

Chapter 4. Operational Overview

I. Business Activities

(I) Business scope:

1. Principal business activities and revenue distribution

- (1) Production and sales of polystyrene (GPS) resins and foaming polystyrene (EPS) resins
- (2) Production and sales of acrylonitrile-butadiene-styrene copolymer resin (ABS)
- (3) Production and sale of styrene-acrylonitrile (SAN) resin.
- (4) Manufacture and sales of plastic raw materials and processed products.
- (5) Manufacture and sell glass wool and related products.
- (6) Production and sales of cubic printing and related products.
- (7) E303020 noise and vibration control engineering
- (8) E801010 interior decoration

Main Products	Percentage
1. Expandable polystyrene (EPS)	50.45%
2. Acrylonitrile-butadiene-styrene copolymer resin (ABS)	25.07%
3. General purpose polystyrene (GPS)	21.52%
4. Glasswool products	2.94%
5. Impact-resistant polystyrene (IPS)	0.02%

2. New products planned for development

- (1) Development of acrylonitrile-butadiene-styrene polymer (ABS) high gloss material.
- (2) Development of rapid shaping expandable polystyrene (EPS) material.



(II) Industry Overview

1. Current State and Development of the Industry

There are four manufacturers of ABS/GPS/EPS in Taiwan. The domestic demand of ABS/GPS/EPS only accounts for 10% of the annual output of each product. The rest needs to be maintained by export sales. In response to the trade competition between the United States and China, downstream processing plants have gradually transferred from mainland China to Southeast Asia and other countries, while India, the Middle East, Africa, Central and South America become emerging markets with more potential for growth in demand.

There are many EPS producers in mainland China, and the total production capacity is far greater than the demand. According to the statistical data of 2024, the annual production capacity of EPS in mainland China is about 9 million metric tons, and the operating rate is only about 50%. Demand for EPS in mainland China is generally from four major areas based on application - packaging for electrical appliances, boxes for vegetables and fruits, ceramic packaging and building slabs. Among them, packaging for electrical appliances and building slabs are the main products. Based on the market distribution, demand for EPS is mainly concentrated in South China (Guangdong), East China (Jiangsu and Zhejiang), North China (Shanxi, Hebei and Shandong), and Northeast China (Heilongjiang, Jilin and Liaoning). Demand in South China, Hunan and Hubei, and East China regions is mainly for packaging of electrical appliances, while that in the North and Northeast China regions is concentrated on building slabs, while the application of vegetable and fruit boxes and ceramic packaging is mainly used in Yunnan and Guangdong. With advancements in the Chinese government's policy for expanding the domestic market, the electrical appliance production sites in the South China and Eastern China

regions have gradually relocated inland along the Yangtze river basin. The transfer is exemplified in the emerging appliance manufacturing bases in Hefei, Wuhan, Chongqing, and Chengdu. Demand in the North China and Northeast China regions, which has been affected by the severe overcapacity, has led to fierce competition in the regional market. Moreover, the increasingly stringent environmental protection policies in China have led to early closure or relocation of some EPS molding plants.

2. Upstream, midstream and downstream correlation

Among main styrene products, the primary raw material GPS/EPS styrene monomer (SM), while that for ABS includes SM, acrylonitrile (AN) and butadiene (BD).

SM: SM producers in Taiwan include Taiwan Styrene Monomer Corporation, Formosa Chemicals & Fibre Corporation, and Grand Pacific Petrochemical Corporation. They have a combined output of approximately 2 million metric tons, which is sufficient for total domestic demand (Taiwan needs approximately 1.85 million metric tons per year). SM is traded in large quantities in international trade, and the transportation conditions are more convenient. Therefore, it is relatively easy to obtain. In addition to making purchases from domestic sources, some of the SM required in Taiwan is purchased from foreign sources on a spot basis. The total annual production capacity of SM producers in Mainland China is currently about 22 million metric tons. There have been expansions and new plants since 2020, resulting in an oversupply, and therefore SM producers in Mainland China seek to export SM. The main raw material of EPS, SM, for the Company's Zhongshan plant is obtained mainly from domestic SM plants in mainland China.



AN: AN producers in Taiwan include China Petrochemical Development Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 500,000 metric tons, which is sufficient for all domestic demand (Taiwan needs approximately 380,000 metric tons per year). AN is toxic and its transportation is governed by numerous regulations and restrictions. It is therefore less favorable for long-distance transportation. The Company mainly obtained AN from domestic sources.

BD: BD producers in Taiwan include CPC Corporation and Formosa Petrochemical Corporation. They have a combined output of approximately 600,000 metric tons, which equals the overall domestic demand of 600,000 metric tons. However, companies sometimes import the product during annual maintenance shutdowns. The main users of this product are the rubber industry and ABS production plants. The Company obtained most of BD from domestic sources.

The upstream materials for ABS/GPS/EPS are crude oil derivatives and prices usually fluctuate along with fluctuations in oil prices. Reference prices of raw materials for SM/AN/BD are available globally for buyers and sellers.

Downstream customers are mainly small and medium enterprises with a generally low processing scale. The design of molds and craftsmanship also differ based on product design provided by final customers. ABS/GPS/EPS manufacturers shall provide technical services and material recommendations to meet the needs and product requirements of downstream customers.

3. Various product trends

ABS products are mainly supplied to downstream processed products, such as household appliances, household necessities, automobiles, toys, tool machines, safety hats, battery cases and other industries. Among these products, most of which have been distributed overseas to Mainland China or Southeast Asia. Affected by the rise in global inflation, ABS showed a significant reduction in market demand after 2022; along with the continuous increase of new production capacity post-2023, the market is facing a greater threat.

The GPS market grew steadily due to the demand for downstream food packaging and disposable tableware. However, the continuous increase of production capacity in China will have an impact on the export sales of GPS.

EPS is mainly used for packaging, fishing containers and construction purposes. It is also affected by rising global interest rates and the continued increase of EPS capacity in mainland China. The market competition becomes more fierce.

4. Competition

ABS resin are widely used in automotive engineering, electrical appliances, equipment and building materials, due to the product's synthesized feature of resistance to impact, heat, low temperature, and chemical erosion, in addition to its easy processing and molding and good surface gloss. It is a type of polymer material between general-purpose plastic and engineering plastic. In mainland China, the downstream consumption of ABS is mainly concentrated in the household appliance industry, accounting for 60% of the total market share. Among all the applications, air conditioners, vacuum cleaner, refrigerator and laundry machines incur the most demand for ABS.



In 2024, the overall ABS market continued to be impacted by high inflation, uncertainties in U.S. trade policies, rising shipping costs, and geopolitical factors. Additionally, competition from China's excess ABS production capacity intensified. However, stable demand in South Asian markets, such as India and Pakistan, helped fill the market gap. Additionally, the mid-year cancellation of China's ECFA preferential tariffs had a significant impact on SAN sales. As a result, the Company actively shifted its sales markets to boost sales volume. In 2024, the operating rate remained above 80%, with sales volume increasing by 11% compared to 2023.

The market will become more competitive in the future as new production capacity in mainland China continues to increase.

GPS is widely used plastic whose market value mainly fluctuates with the price of its raw material, SM. Due to the advantage of vertical integration, Taiwan's largest GPS manufacturer, Formosa Chemicals & Fibre Corporation, has a lower GPS production cost than other manufacturers, and thus it can easily dominate the market. Other manufacturers in Taiwan (including TTC) purchase SM to produce GPS, SM prices have a greater impact on their competitive ability. The Company is the only manufacturer in Asia who adopts NOVA manufacturing technology in the production of GPS. Featuring the character of low free monomer, the quality of the Company's product is competitive in the market, and our sales areas are widely distributed in Southeast Asia, Africa, South America, and the Middle East. The main markets for GPS are disposable tableware and food packaging materials, which are markets with steady growth in demand. In 2024, despite ongoing efforts to develop markets in Southeast Asia, the Middle East, Africa, the Americas, and Australia/New Zealand, and to enhance the breadth of sales regions, the Company faced challenges due to the global economic slowdown and subdued demand trends. As a result, sales

volume in 2024 experienced a slight decline of approximately 3% compared to 2023. Taita Chemical Co., Ltd. continues to develop markets other than mainland China and Hong Kong to maintain comprehensive production and sales, ensuring an increase in profitability. The future market competition will continue to focus on the impact of new GPS production capacity in mainland China.

Due to the successive relocation of large EPS processing plants from Taiwan, the demand for EPS as packaging material has shrunk significantly in Taiwan. In addition, because Taiwan is located in the subtropical zone and rarely uses EPS as a thermal insulation material in building, so about 90% of the current 4 EPS manufacturers' capacity in Taiwan rely on export. The sales region coverage of Taita Chemical's Cianjhen Plant continues to improve, demonstrating effectiveness. There are now stable customers in Southeast Asia, Africa, the Middle East, Central and South America, and South Asia, and sales volume in 2024 increased by approximately 4% compared to 2023.

(III) Technology and R&D Overview

1. Research and development (R&D) expenses in the most recent fiscal year up to the publication date of this annual report

The Company's R&D expenses in 2024 were NT\$16,374 thousand and the R&D expenses from January to March 2025 were NT\$4,655 thousand.

2. Technology or product developed

2.1 Acrylonitrile-butadiene-styrene (ABS)

2.1.1 Optimized the quality of ABS to eliminate phenol residues, reducing discoloration during storage.

2.1.2 Completed the establishment of a pilot plant for polybutadiene latex polymerization.



2.1.3 Achieved TAIECOR recycled content certification under ISO-14021 for both process and product.

2.2 Expandable polystyrene (EPS) polymer

2.2.1 Optimized the EPS formulation, enhancing surface hardness by 45, improving storage performance efficiency by 10%, and increasing molding efficiency by 15%.

2.3 Improvement of ABS/GPS/EPS manufacturing processes

Year	2024	2023	2022	2021	Total
Electricity savings (kWh)	1,333,817	2,827,257	1,427,215	681,170	6,269,459
Electricity consumption (kWh)	76,594,800	72,101,600	70,313,600	82,315,600	301,325,600
Electricity saving ratio (%)	1.71	3.77	1.99	0.82	2.08

Remarks: The central government's policy requires 10% electricity savings from 2015 to 2024, which has been reached.

(IV) Long-term and short-term business development plans

1. Short-term business development plan

- (1) The production and sales of ABS are maximized, continuing to increase the proportion of direct customers and develop markets outside of mainland China and Hong Kong.
- (2) After the introduction of the Toyo SAN manufacturing process in the production of ABS, the background color and quality of ABS have been improved. In the future, we will actively take such advantage to expand our market applications.

- (3) In terms of GPS product, TTC also needs to continue to develop the market outside of mainland China and Hong Kong, and at the same time to take advantage of the quality of the NOVA process to seek continued growth opportunities in the food packaging market.
- (4) In terms of EPS product, Qianzhen Plant still needs to increase its global sales layout to ensure full sale of production.
- (5) The Company will realize the integrated supply chain management to maximize production and sales and maintain the inventory of raw materials and finished products at a low level.
- (6) It will strengthen business development ability, develop market with low market share and product market application, expand sales base customer group and stabilize market sales.
- (7) The Company will enhance functionality and flexible organization. Besides, the Company will actively expand overseas sales and develop markets in emerging and developing countries in particular.
- (8) The main development targets for EPS in mainland China is in South China:
 - a. The Company will continue to improve and stabilize the quality of rapid materials and ultra-light materials volume and expand market sales.
 - b. The Company will continue to strengthen core markets (in Yunnan and Guangdong Provinces) and develop markets in Guangxi, Fujian, Hubei, Sichuan and Chongqing and other regions.



- c. The Company will leverage the complementarity of market demands to balance sales volume, continue to increase and expand technical service capabilities and scope for customers to increase customer loyalty.
- d. The Company will improve the pellet concentration to meet the market sales needs.

2. Long-term business development plans

- (1) The Company will collect information on trends in the selection of materials and develop suitable products and materials.
- (2) With the improvement of physical properties of its products, the Company will increase market share in the “high-quality, high-priced” market segment.
- (3) The Company will keep increasing its market share in overseas emerging markets.

II. Overview of Market, Production and Sales:

(I) Market Analysis

1. Sales regions and market share of main products

Products manufactured in Taiwan are predominantly sold overseas, accounting for over 85% of total sales. Exports primarily target regions such as Southeast Asia, South Asia, Central and South America, North America, and Africa. The expansion of and the increase of sales proportion in overseas market will help to achieve the purpose of diversifying the market and risk.

The Company's product sales destinations in 2024 were:

(1) ABS/PS products

Mainland China and Hong Kong	13 %
Southeast Asia/South Asia	41 %
Africa	16 %
Central and South America	11 %
Domestic market	11 %
Others	8 %

(2) Glass wool products

Domestic market	65%
Australia	20%
New Zealand	12%
Other regions (including Southeast Asia)	3%

The sales ratio of the mainland subsidiary Zhongshan Plant in 2024 by region was as follows:

Sales Region	Province	Sales ratio
Greater China	Guangdong	54 %
	Yunnan-Guizhou	21 %
	Hunan & Hubei	10 %
	Fujian	7 %
	Sichuan and Chongqing	6 %
	Others	2 %

2. Market supply and demand and market growth in the future

(1) ABS/PS products

ABS: The demand for consumer electronics in Europe and the U.S. declined significantly in 2024 due to the impact of inflation. In 2025, we need to continue to pay attention to geopolitics and the impact of the U.S. Federal Reserve's decision to raise interest rates in response to inflation and other factors on the market. and the market competition will become increasingly fierce due to new ABS production capacity in mainland China; TTC's strategy will continue to develop high-profit



direct customers, and develop markets outside mainland China and Hong Kong to achieve the strategic goal of full sales of production, in order to ensure operating performance.

GPS: The global plastic ban issue is still a topic of discussion, especially with an estimated of 400,000-600,000MT of new PS production capacity in mainland China in 2025. We will closely monitor the impact on the market. Hence, TTC's strategy will continue to develop markets outside of mainland China and Hong Kong to achieve the strategic goal of full sales of production, in order to ensure operating performance.

EPS: EPS in mainland China is still in oversupply, and it is estimated that about 1.1 million metric tons of new production capacity will be put into operation in China in 2025. Looking ahead to 2025, new markets/new customers have been developed, such as Africa, Central and South America, etc. TTC's strategy is to achieve full sales of production of EPS to improve operational performance.

(2) EPS in mainland China

There are four major EPS manufacturers in South China. In April 2024, an additional capacity of 150,000 tons was put into operation in Zhuhai, which increased the production capacity in South China to about 1.5 million metric tons. TTC Zhongshan Plant takes advantage of the quality of ordinary materials (301), fast materials (391) and extra-light materials (381) and continues to improve the quality to strengthen our competition in the main market of electric appliance and vegetable and fruit packaging and plate market; in addition, it improves the production granularity concentration, increases the output ratio of products with effective specifications, reduces the production of slack materials, strengthens the production efficiency.

In order to achieve the goal of sustainable development, we are also actively promoting the establishment of a new 200,000-ton plant at TTC's Gulei Plant.

(3) Glass wool products

The domestic market of glass wool grew by 6% in 2024, and the import volume accounted for about 7% of the overall market. Kuwait was the main import country, and it is estimated that the domestic demand market in 2025 will decline by 8% compared with 2024.

Furthermore, the Southeast Asian market has long been influenced by competitive pricing from Mainland China, and the primary targets for glass wool exports are the higher-priced markets of New Zealand and Australia. However, in 2024, the local housing market has been sluggish, affected by the low-priced dumping from Mainland China and the recent surge in shipping costs. As a result, the total export volume to New Zealand and Australia remains on par with that of 2023. In response to the significant increase in domestic electricity prices leading to higher production costs, the export plan for 2025 aims to maintain sales volume and enhance sales profits as its main objectives. The estimated ratio of domestic to foreign sales for 2025 is projected to be 63% to 37%.

3. Competitive niches

TTC focuses its operations on providing customers with satisfying service quality and creating value for shareholders. Our competitive advantages are:

- (1) Continue to maintain the business strategy of total production and sales and continue to optimize the customer mix to ensure operational performance. In addition, under the premise of full sale of production, effectively control the reasonable inventory of raw materials and finished products to avoid the impact on



the Company's operating performance caused by sharp fluctuations in market prices.

- (2) Continuously strengthen development capabilities and effectively developing markets outside of mainland China and Hong Kong.
 - (3) Continuous development of customized products.
 - (4) Fast and timely customer service and regular customer visit plan, strengthen after-sales service, enhance product added value.
4. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures
- (1) Favorable factors

◆ ABS/PS products

- a. Stable product quality, integrated R&D capability, strengthened customer service, management system in place, etc., helpful for customers to have confidence in our products.
- b. The NOVA manufacturing process technology for GPS provides the quality advantage of heat-resistance and low-residual monomers.
- c. The development of new EPS product has catapulted the Company to a leading position in the domestic market. The Company is the first to develop fire-rate anti-static products, which has gained it considerable reputation in the international market.
- d. The mainland government's continued policy of stimulating domestic demand is favorable to the growth of the domestic demand market (fruits and vegetables, cold chain transportation services, etc.) in South China. Since the demand for EPS is still growing, this will bring benefit

to the operation of the Company's Zhongshan plant.

- e. Production capacity of SM, the main raw material, continues to increase in the Mainland China, which will promote TTC's bargaining power over raw material SM.

◆ Glass wool products

- a. Leading brand with accepted quality.
- b. High service quality effectively precludes competition from foreign products.
- c. Solid marketing channels strengthen market development and competitiveness.
- d. Glass wool is used as a filler in calcium silicate board partition systems. This application has been gradually accepted in the market.
- e. The sales volume of gypsum board partition systems increases each year and the use of glass wool is expected to increase as well.
- f. The conversion of CNS6532, the standard for non-combustibility testing, to CNS14705 has helped fiberglass ceilings pass the non-combustibility test.
- g. In addition to the successful renewal of BRANZ certification in New Zealand Australia, the Company has also helped its New Zealand customers to successfully obtain the Environmental Choice New Zealand (ECNZ), an eco-friendly label, and became qualified to bid for New Zealand government projects.



- h. The market for fire-resistant glass wool used in roofs and exterior walls experienced a sales decline of approximately 6% in 2024 compared to 2023. This downturn was caused by negative impacts on the construction industry, including labor shortages and significant increases in raw material prices, which led to reduced operational rates.
- i. Regulations related to floor impact sound has been implemented in January, 2021. The new product Porter panel and glass wool sound insulation system for flooring has passed tests, thus facilitating new market development, continuing to visit and promote contractors, engineering and construction companies.
- j. Value-added six-sided covered products have been newly developed, and the application market grew steadily, with the sales volume in 2024 increased by 43% compared to 2023, reaching 300 metric tons.

(2) Unfavorable Factors

◆ ABS/PS products

- a. The continuous investment in new production capacity in mainland China has led to a trend of overcapacity, resulting in intense market competition and the instability of U.S. tariff policies.

Response measures:

- Enhance product quality and product added value, segment markets, and avoid market price competition.

- Maximize capacity, reduce cost, as well as select and sell products with relatively good profit margin.
 - Analyze and keep abreast of the market development pulse, develop emerging markets with potential outside of mainland China and Hong Kong, and avoid markets affected by U.S. tariffs.
- b. The market of main raw material SM is volatile and unstable:

Response measures:

- Effectively realize integrated supply chain management.
- Effectively reduce the inventory of raw materials and finished products, thereby lowering risks.

◆ Glass wool products

- a. Kuwait's import cost is low and its products have passed the one-hour calcium silicate board fire test causing a major impact on the domestic market.

Response measures:

- Carry out special sales for imported specifications and consolidate distribution network.
- Strengthen project tracking and conduct direct sales.



- b. Alternative products flood the market.

Response measures:

- Enhance project visits and control to prevent changes in glass wool materials.

- c. Products from Mainland China have entered the Taiwanese market through imports via ad hoc application.

Response measures:

- Actively participate in related trade associations, maintain contact with the Industrial Development Bureau, and keep an eye on product trends in Mainland China at all times.

(II) Important use of the main products and production process

1. Important use of major products

- (1) ABS resin: IT equipment, OA equipment, home appliances and electronic parts, consumer electronics, bathroom equipment, toys, automotive and machine components, heels, suitcases, everyday items, telephones, stationery, sports equipment, battery cases, safety helmets, and machine tools.
- (2) SAN resin: External casing of blenders, powder boxes, coffee machine water tanks, transparent decorations, air conditioning axial fans, electric fan blades, stationery, and utensils, etc.
- (3) GPS: Lighting equipment, stationery, home appliance parts, everyday items, diffusion plates, insulation boards, disposable tableware, food and pharmaceutical packaging materials, etc.

- (4) EPS: Insulation boards for buildings, packaging materials, antistatic packaging materials, vegetable and fruit boxes, fishing boxes, insulation materials, slabs, and building insulation walls, and safety helmet cushion lining, etc.
- (5) Glass wool: Cooling materials for air-conditioning ducts, metal roofs, insulation materials for walls, floor insulation materials, dry partitions filled with sound-absorbing insulation materials, ceilings for interior decoration, wall panels, insulation materials for the petrochemical industry, machinery and equipment, insulation and sound-absorbing materials for home appliances, vehicles, heat- and sound-insulating materials for ships and insulation materials for curtain walls.
- (6) Cubic printing: specialized printing technique used for plastic, metal, wood, gypsum, glass, and ceramic products.

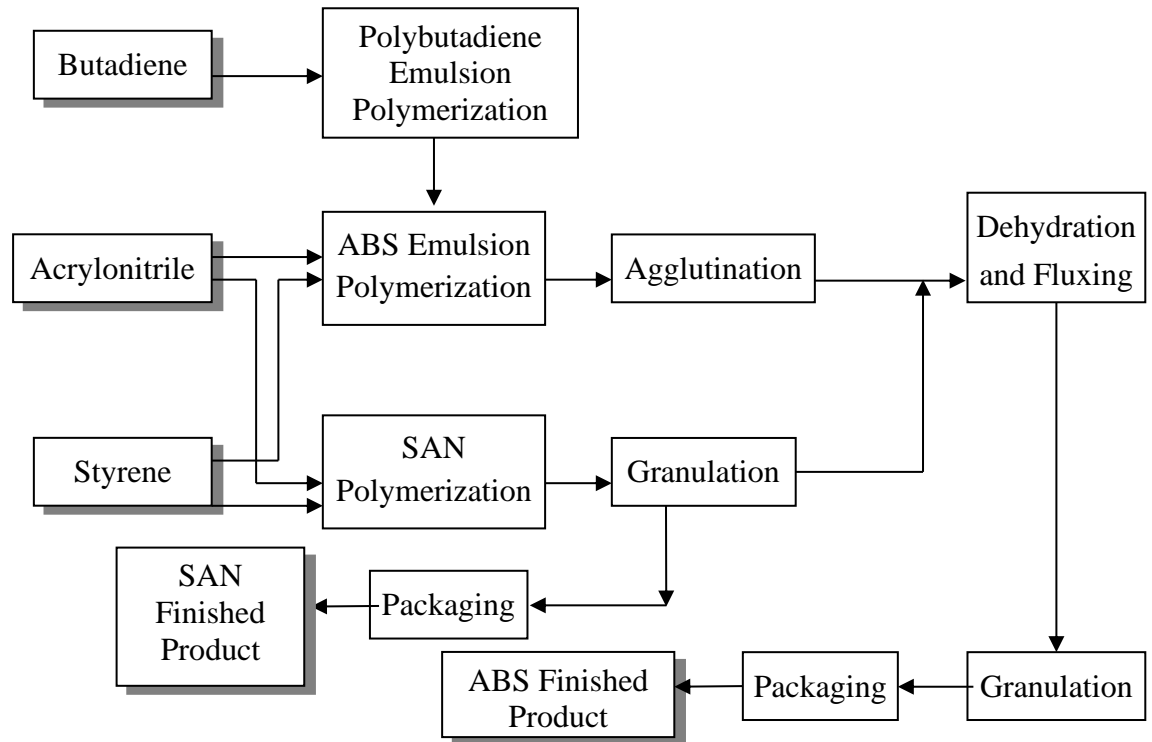
In view of the long-term and continued contraction of the cubic printing market, after extensive discussions, it was decided to temporarily suspend production and operation of the cubic printing department starting from April 2021.

- (7) Impact-resistant polystyrene: IT equipment, home appliances, toys, everyday items, stationery, electronic components and menstrual cups.

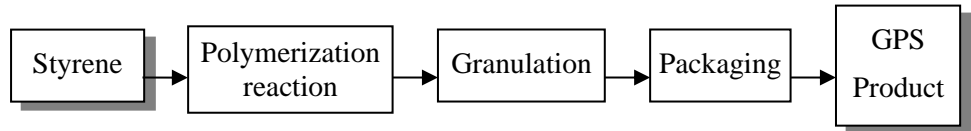


2. Production process of primary products

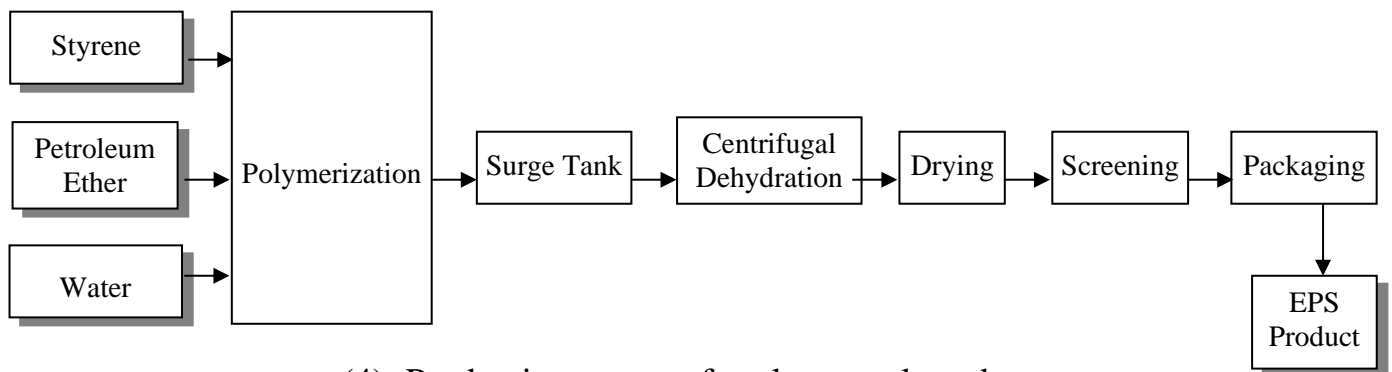
(1) Production process for styrene acrylonitrile-butadiene-styrene (ABS) and acrylonitrile-styrene copolymer resin (SAN)



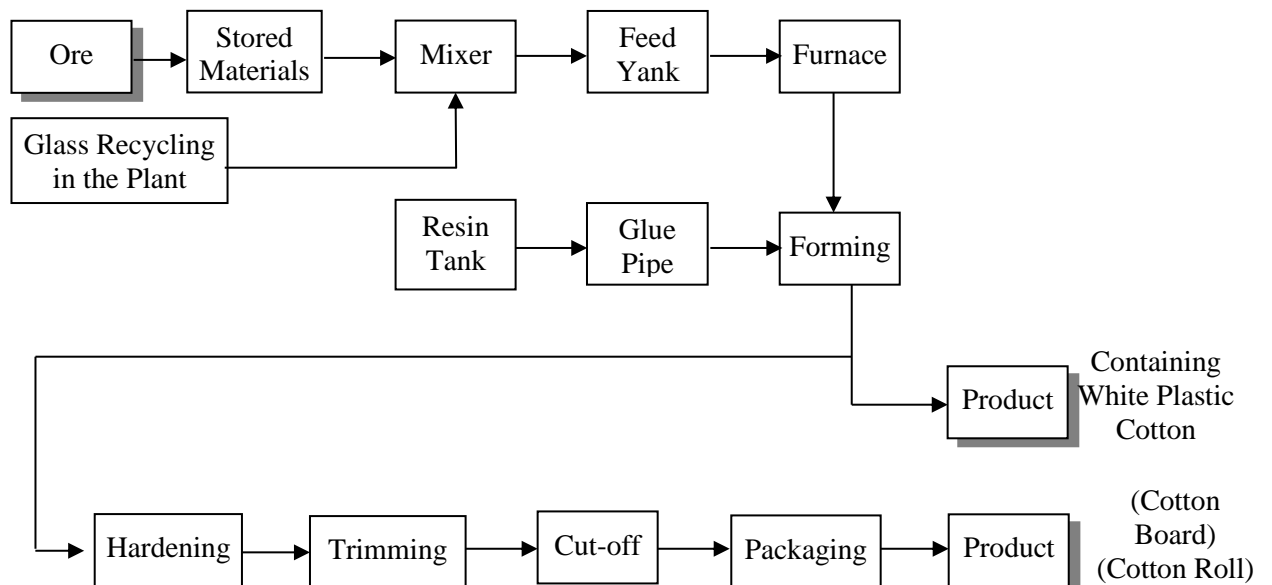
(2) Production process of GPS



(3) Production process of EPS



(4) Production process for glass wool products





(III) Supply of major raw materials

1. Styrene monomer (SM)

The supply and demand for styrene monomer (SM) is balanced. The Company continuously purchases SM from Taiwan Styrene Monomer Corporation, Formosa Chemicals & Fibre Corporation, China Petrochemical Development Corporation and Shell Petrochemicals Company Limited, to balance the price risk. Thus, there is no risk of shortages.

2. Acrylonitrile (AN)

The Company has signed a contract with SinoPec Chemical Commercial (Huanan) Holding Co., Ltd. with regard to the supply of this product. Besides, the Company also regularly purchases AN from Formosa Plastics Corporation, and imports AN from time to time according to supply and demand to increase dispatch flexibility. Hence, there is no concern regarding the shortage of supply for this material.

3. Butadiene (BD)

The Company has signed a material supply agreement with CPC Corporation and Formosa Petrochemical Corporation. The Company imports BD from time to time according to market supply and demand to meet its own demand.

4. Pentane

Pentane is mainly available in ready stock abroad. The usage of pentane is stable, and there is no issue regarding the shortage of supply for this material.

5. Glass quality sand

Glass-quality sand is the main raw material for glass-wool products. As the unit price is low, it is procured from domestic sources. There are little changes in quantity and price, and thus we have full control over the material.

(IV) Name of customers who account for more than ten (10) percent of the total purchases (or sales) of goods and their amount and proportion of purchases (or sales) of goods in any one of the most recent two fiscal years, and reasons for the increase or decrease in purchases or sales of goods

1. List of suppliers with purchase amount exceeding 10% of total purchase, the purchase amount and proportion, and reasons for increase or decrease

Information on Major Suppliers in the Most Recent Two Years

Unit: NT\$ 1,000

Item	2024				2023				As of Q1 2025			
	Name	Amount	Proportion to Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Proportion to Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage to net purchase in the year up to the previous quarter (%)	Relationship with the Issuer
1	Formosa Chemicals & Fibre Corporation	4,607,643	28.66	None	Formosa Chemicals & Fibre Corporation	4,872,083	33.46	None	Formosa Chemicals & Fibre Corporation	1,296,308	35.96	None
2	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	1,989,249	12.37	None	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	1,901,320	13.06	None	CNOOC and Shell Petrochemicals Company Limited (CSPC)	557,092	15.46	None
3	CSPC	1,785,479	11.10	None	CSPC	1,856,447	12.75	None	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	552,589	15.33	None
4	Taiwan Styrene Monomer Corporation	1,227,960	7.64	None	Taiwan Styrene Monomer Corporation	1,670,170	11.47	None	Taiwan Styrene Monomer Corporation	154,740	4.29	None
5	Others	6,468,314	40.23	Note 3	Others	4,261,893	29.26	Note 3	Others	1,043,800	33.25	Note 3
	Net purchase	16,078,645	100.00	-	Net purchase	14,561,913	100.00	-	Net purchase	3,604,529	100.00	-

Note 1: List the name of suppliers who account for more than 10% of the total purchases of goods and their amount and proportion of purchase of goods in the most recent two years. However, if the name of suppliers or counterparties who are individuals or non-related parties cannot be revealed due to contractual agreements, their code shall be indicated.

Note 2: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 3: The purchases of goods from other suppliers did not reach 10% of the total purchases of goods. In 2024, the amount of purchases of goods from related parties was NT\$3,271 thousand, accounting for 0.02% of the total purchases of goods. In 2023, the amount of purchases of goods from related parties was NT\$4,580 thousand, accounting for 0.03% of the total purchases of goods. In 1Q2025, the amount of purchases of goods from related parties was NT\$1,190 thousand, accounting for 0.03% of the total purchases of goods.

Review and Analysis of Financial Position and Financial Performance, and Risks



2. List of customers with sales amount exceeding 10% of total sales, the sales amount and proportion, and reasons for increase or decrease:

Information of major customers for the last 2 years

Unit: NT\$ 1,000

Item	2024				2023				As of Q1 2025			
	Name	Amount	Proportion to Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Proportion to Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage to net sales in the year up to the previous quarter (%)	Relationship with the Issuer
	Others	18,622,910	100.00	Note 3	Others	15,205,462	100.00	Note 3	Others	4,232,767	100.00	Note 3
	Net sales	18,622,910	100.00	-	Net sales	15,205,462	100.00	-	Net sales	4,232,767	100.00	-

Note 1: List the names of suppliers with more than 10% of the total sales amount in the most recent 2 fiscal years, as well as the purchase amount and proportion. However, if it is not allowed to disclose the names of suppliers or trading partners as individuals and non related parties due to contractual agreements, it can be coded as such.

Note 2: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 3: The individual sales amount of other manufacturers was less than 10%, among which the sales amount of related parties as a percentage of the net sales of the whole year was NT\$19,344 thousand 0.10% in 2024, NT\$12,931 thousand 0.10% in 2023, and NT\$2,596 thousand in 1Q2025.

III. Information on Employees

Year		2024	2023	As of March 31, 2025
Number of employees	Staff	182	189	181
	Operator	300	303	291
	Total	482	492	472
Average age		45.3	44.4	45.4
Average year of services		14.6	14.1	14.7
Distribution of academic qualifications	PhD/Master's degree	12%	12%	12%
	Bachelor (University)	35%	33%	35%
	Junior college	20%	22%	21%
	Senior high/vocational school	28%	25%	27%
	High school or lower	5%	8%	5%

IV. Expenditure Related to Environmental Protection

- (I) In the most recent years as of the publication date of this annual report, the losses incurred due to the environment pollution (including compensation and environmental protection audit results that violated environmental protection laws and regulations, the date of disciplinary action, disciplinary official letter number, the provision of laws violated, the content of laws violated, and the content of disciplinary action), current and future estimated amounts that may occur, and responding measures:

Penalty date/number	Regulations violated	Amount of compensation or penalty (thousand)	Cause	Improvement measures
2024/05/03 / 20-113-050005	Item 1, Paragraph 1, Article 32 of the Air Pollution Control Act	225	The Department of Environmental Protection's Inspection Section conducted an inspection at the plant on March 27, 2024, targeting the emission pipeline for black smoke. It was discovered that the RTO pipeline in Area 26 emitted black smoke due to insufficient calorific value, which violates Article 32, Paragraph 1, Subparagraph 1 of the Air Pollution Control Act.	Require all process areas and utility areas within the plant to notify the supervisor of Area 26 prior to start-up and shutdown, for the supervisor to monitor RTO operations during the period, appropriately adjust RTO operation parameter settings, and ensure downstream parties are fully informed of start-up and shutdown information.
2024/11/06 / 20-113-110016 / 20-113-110018	Paragraph 1, Article 20 of the Air Pollution Control Act	300	On July 4, 2024, the Department of Environmental Protection conducted an inspection and testing of equipment components at the facility. The results revealed that a total of two equipment components exhibited leakage concentrations exceeding the 2000 ppm limit established by the Kaohsiung City Standards for the	Improvement of two leakage components, namely the water seal tank in Area 22 (P2238(O01)) and the settling tank in Area 24 (A04-O01), has been completed during the inspection and re-inspected by an external testing company on July 5; upon meeting standards, re-inspection results were submitted to the Department of

Review and Analysis of Financial Position and Financial Performance, and Risks



Penalty date/number	Regulations violated	Amount of compensation or penalty (thousand)	Cause	Improvement measures
			Control and Emission of Volatile Organic Compounds from Equipment Components, thereby violating Article 20, Paragraph 1 of the Air Pollution Control Act.	Environmental Protection for confirmation. Issue 1: The gap in the cover of the water seal tank in Area 22 (P2238(O01)) exceeded the VOC standard; the sealing of the cover has been improved, and the water in the water seal tank is regularly replaced, resolving the issue. Issue 2: The drainage bucket of the settling tank in Area 24 (A04-O01) exceeded the VOC standard. Drainage operation standards have been revised to ensure that the bucket is immediately removed from the process area after discharge, emptied into the wastewater facility, and covered with a lid, resolving the issue.
2024/12/19 / 40-113-120008 / 40-113-120009	Article 36, Paragraph 1 of the Waste Disposal Act and Article 6, Paragraph 1, Subparagraphs 1 and 4 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste	12	On August 26, 2024, the Environmental Management Center of the Southern of the Ministry of Environment conducted an inspection at Line A of District 26. During the inspection, it was discovered that there were extruded materials (ABS waste by-products) and household waste (waste mats and employee trash) stored together in the barrel trough next to the extruder. This situation constitutes a	1. The mixed waste materials stored in the plastic container next to the extrusion machine have been promptly cleared, and a waste code label (D-0299: Mixed Plastic Waste) has been affixed to the top of the plastic container. 2. Conduct education and training for on-site operators, and post notices to promote the practice of avoiding mixed

Penalty date/number	Regulations violated	Amount of compensation or penalty (thousand)	Cause	Improvement measures
			violation of Article 36, Paragraph 1 of the Waste Disposal Act, as well as Article 6, Paragraph 1, Items 1 and 4 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste.	storage of waste materials.

(II) Current and future potential estimated amount and response measures:

1. Environmental protection policy

- (1) Comply with regulations relevant to environmental protection and occupational health and safety, and relevant requirements derived from such regulations.
- (2) Sustainable energy saving regeneration and industrial waste reduction.
- (3) Prevent pollution, reduce potential risks in operations.
- (4) Continuously provide education and training for employees to implement environmental safety work
- (5) Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health.
- (6) Thoroughly implement the environmental management system to enhance environmental performance and reduce environmental risks in the community.
- (7) Promote the process safety management system (PSM) to achieve the purpose of safe process operation and personnel safety through “prior prevention, impact



mitigation and abnormality improvement” of accidents.

- (8) Implement ISO 14064-1 management system for all possible GHG sources within the organization, and conducting emission source inventory and data collection.

2. The Company’s major environmental protection expenditures in the most recent year and as of the publication date of this annual report are as follows:

Unit: NT\$ 1,000

Expenditure Item	Project Name	Amount
Linyuan Plant		
1	Replacement of P2572-2 in Area 25 (SUKA SAN process area) with high-efficiency pump	310
2	Procurement of spare carriers for the PVA carrier tank in Area 82A (sewage treatment area)	640
3	Renovation project for the existing waste storage facility	300
4	Incinerator inspections and repairs	700
5	Equipping the EB storage tank D2490 in Area 24 with a high liquid level alarm and an interlocked shut-off valve for the feed line, setting the valve to open when the liquid level is low.	287
6	Installation of a control valve for the steam pipeline (gas seal) in Burning Tower 10S of Area 81	250
7	Change of materials for the WWR source pipeline to stainless steel in Area 82	280
8	Replacement of P6210-4 with high-efficiency pump	284
	Total	3,051
Qianzhen Plant		
1	Replacement project for energy-saving air dryers in the EPS manufacturing process, replacing them with energy storage air dryers to achieve environmental protection and energy-saving effects. (Completed)	234

Expenditure Item	Project Name	Amount
2	Replacement project for the EPS manufacturing process air compressor, purchasing a variable frequency air compressor to ensure stable compressed air supply and achieve energy savings. (Completed)	2,165
3	Procurement of a total of 5 IE3 high-efficiency motors to replace old conventional motors MELTING PUMP for GPS process, aiming to achieve energy savings and carbon reduction. (in progress)	9,233
4	The purchase of a total of 9 reducers for the EPS process (including the replacement of motors with high-efficiency IE3) can effectively reduce energy consumption and improve efficiency, achieving the goal of energy conservation and carbon reduction. (Completed)	2,175
5	Replacement proposal for the adsorption tank filter plates in the GPS process to avoid process disruption and prevent environmental leaks.	859
6	Replacement proposal for the level detectors of the extruder in the GPS process to prevent process disruption and environmental leaks. (Completed)	426
7	Replacement proposal for insulation of the reaction tank in the GPS process to avoid energy loss and achieve energy-saving and carbon reduction goals. (Completed)	226
8	Replacement proposal for the SLURRY PUMP in the EPS manufacturing process, replacing it with IE3 high-efficiency motors to achieve energy savings and carbon reduction. (Completed)	337
9	Replacement proposal for the ice water machine in the EPS manufacturing process MCC room to prevent damage or failure of instrumentation equipment, ensuring production safety and preventing environmental pollution. (Completed)	266

Review and Analysis of Financial Position and Financial Performance, and Risks



Expenditure Item	Project Name	Amount
10	Spare parts procurement proposal for the mechanical shaft seals of the agitators in the GPS process to prevent damage to the shaft seals, avoiding process abnormalities and potential environmental pollution. (Completed)	538
11	Procurement proposal for spare cooling water control valves in the EPS manufacturing process to prevent corrosion and wear, avoiding shaft seal leaks that could lead to environmental pollution. (Completed)	432
12	Spare parts procurement proposal for shaft-less pumps in the EPS manufacturing process. Newly purchased shaft-less pumps will serve as backups to prevent equipment damage and VOCs leaks. (in progress)	292
13	Regular maintenance proposal of air compressors for EPS process to improve operational efficiency and achieve energy-saving and carbon reduction goals. (Completed)	320
14	Comprehensive cleaning project for electrostatic precipitators in the GPS process to ensure compliance with environmental regulations and permit requirements. (Completed)	256
15	Styrene VOC system improvement project to ensure compliance with environmental regulations and permit requirements. (in progress)	795
16	Improvement of the resin tower in the pure water system in public areas to enhance water production efficiency and reduce water consumption. (Completed)	826
17	Improvement of the GPS packaging system's duct to prevent environmental pollution. (Completed)	229
18	Improvement project for the sludge system at the public wastewater treatment facility, ensuring compliance with environmental regulations and permit requirements. (Completed)	360

Expenditure Item	Project Name	Amount
19	Repairing of the thermal insulation of SM storage tanks to prevent tank malfunctions and energy loss, ensuring process safety and achieving energy conservation and carbon reduction goals. (in progress)	2,047
	Total	22,016
Toufen Plant		
1	Rectification of GW wastewater pipelines (completed)	355
2	Replacement of the old air compressor #1 with an energy-saving device (installed, subsidy application in progress)	2,650
3	Improvement of GW fire safety equipment (completed)	481
4	Dust filter bag replacement (completed)	152
5	Improvement of rainwater recycling piping (completed)	324
6	Improvement of the electrostatic precipitator drainage pipe (completed)	57
7	Improvement of sewage overflow (completed)	28
8	Cleaning of the electrostatic precipitator (completed)	105
9	Construction of oil spill containment berm (completed)	20
10	Purchase of new vibrating screen for the wash basin (completed)	603
11	Replacement of the cooler for air compressor #2 (completed)	137
12	Replacement of the cooler for air compressor #5 (completed)	137
	Total	5,049
Zhongshan Plant		
1	Expenses for monitoring environmental emissions and wastewater	2,305
2	Costs associated with operating and maintaining air and water pollution monitoring instruments	790
3	National Ranking of Taiwan Account Commission Service Fees	203
	Total	3,298
	Total of the Company	33,414

Review and Analysis of Financial Position and Financial Performance, and Risks



3. The Company's expected environmental protection expenditures in 2025 are as follows:

Unit: NT\$ 1,000

Expenditure Item	Project Name	Amount
Linyuan Plant		
1	Replacement of B2644A-1 Lu style blower in Area 26 (ABS process area)	300
2	Modification of Specifications for the Replacement of the Lu-Style Blowers in the SAN Storage Tank Area B3403-3, B3403-4, and B3403-5	840
3	Modification of the discharge pipeline at the bottom of the flotation tank in Area 82 (wastewater treatment area) and partial modification of the wastewater flow in Area 82, Line B	230
4	Replacement of ice water machine in common area (M6301-4)	6,280
5	Replacement of the wastewater pressurization pump (P8242-3) in Area 82A (wastewater treatment area) and the aeration blower (B8266B-2) in Area 82B (wastewater treatment area)	470
6	Addition of pressure transmitters to the settling tanks in Area 13 (D1307-1/2) and RBD storage tanks (D1308-1/2), along with monitoring of the opening degree of the control valve (PV-2101-1/A) for the RBD return pipeline in Area 21 from the control room	1,340
7	Set up additional FIT connection for monitoring the DCS panel in the AN feed pipeline to enhance reliability, enabling comparison with FQIC-2205/A/C in Area 21 (PBDL process area)	840
8	Set up additional FIT connection monitoring to enhance reliability for the three-line RBD feed pipeline, enabling comparison with FQIC-2103/A/C in Area 21 (PBDL process area)	1,240
9	Connection of the 20NOH discharge from the settling tank (D1307-1/2) in Area 13 (BD Refining and Storage Area) to the C Line NOH wastewater barrel (D1314C)	170

Expenditure Item	Project Name	Amount
10	Modification of the heating system and troubleshooting of the sludge dryer in Area 82B (wastewater treatment area)	2,690
11	Installation of a diaphragm-type level gauge and alarm system connected to the Distributed Control System (DCS) for Tank D2521-2 in Area 25 (SUKA SAN process area)	200
12	Updating of control valves for natural gas (TV2) and WBD (TV3) in Areas 25/27 to a leak-resistant type	450
13	VOCs detection instruments (ppb level)	270
14	Incinerator inspections and repairs	1,100
15	Replacement of the outdated TAP-I PBDL feed pump (P2134-2) in Area 22 (ABSL process area)	280
16	Replacement of control valves in Areas 24 and 25 (SUKA SAN process area)	1,530
17	Procurement of spare parts for the oxygen analyzer sensor in the secondary flue of the incinerator	120
18	Addition of an online backup unit for the new RTO auxiliary blower B8172-3	590
19	Preparation of an induced draft fan for the incinerator.	600
20	Installation of gas detectors and natural gas emergency shut-off valves for new and existing RTOs	430
21	Replacement of the corroded old RTO combustion unit, installation of a high-pressure alarm and interlock system at the outlet of the NG main fire pipeline HV8173B valve, and addition of a differential pressure gauge to the explosion-proof box	930
22	Update of the WBD Flow Meter for the Boiler in Area 27 (TOYO SAN process area)	200
23	Replaced single feed pumps P2515-3 in Area 25 (SUKA SAN process area) with non-seal centrifugal pumps	470
24	Addition of pressure transmitter signals routed to the Distributed Control System (DCS) for the main body inlet pipelines of the water seal tanks (D8102) and (D8102C) in Area 81 combustion tower	290

Review and Analysis of Financial Position and Financial Performance, and Risks



Expenditure Item	Project Name	Amount
25	Design of AI software for monitoring energy consumption in common areas	600
26	Change of materials for the indoor WWR source pipeline for Line C to stainless steel in Area 26 (ABS process area)	300
27	Replacement of the outdated TAP-II PBDL feed pump (P2134-2) in Area 22 (pending delivery)	215
28	Acquisition of ai smoke detection software and hardware equipment	1,410
29	Replacement of the corroded discharge pipeline at the bottom of the metering tank (D8220-2) in Zone 82A (pending implementation)	250
	Total	24,635
Qianzhen Plant		
1	Procurement for spare parts of the EPS process reduction gear, preventing equipment anomalies that could disrupt the production process and cause environmental pollution, while achieving energy conservation and carbon reduction objectives.	1,100
2	Replacement of the circular sieve machine in the EPS manufacturing process, preventing malfunctions due to aging equipment and avoiding environmental pollution.	300
3	Partial replacement of the condensate water pipeline in the EPS manufacturing process, preventing pipeline corrosion and leakage and avoiding water resource wastage.	810
4	Replacement of the resin in the soft water system for common areas to prevent water quality from exceeding standards and causing process abnormalities.	250
5	Replacement of the automatic drain for the air storage tank in the EPS process to prevent energy loss, achieving energy conservation and carbon reduction goals.	460
6	Procurement of spare filters for the centrifugal dryer in the EPS process, preventing excessive energy consumption due to aging equipment and achieving energy conservation and carbon reduction objectives.	1,100

Expenditure Item	Project Name	Amount
7	Procurement request for mechanical shaft seal spare parts for the GPS process chiller, aiming to prevent equipment malfunctions and leaks that could cause environmental pollution.	600
8	Procurement of spare parts for the thermal oil pump in the GPS process, preventing equipment aging and failures that could disrupt the production process and lead to environmental pollution.	2,510
9	Procurement request for multifunctional electric eye spare parts for the thermal medium boiler in the GPS process, aiming to prevent damage and failure of instrumentation equipment, which could impact production safety and cause environmental pollution.	250
10	Procurement request for spare parts for the motor and reducer of the agitator in the GPS process, aiming to prevent equipment damage, process abnormalities, and environmental pollution.	350
11	Partial replacement for the fire protection water pipeline in the EPS process to prevent corrosion and leakage, ensuring firefighting capacity and avoiding water resource wastage.	200
	Total	7,930
Toufen Plant		
1	Improvement of emissions from the chimneys of production lines P006 and P007 in the WL production area	8,800
2	Covering of the GW domestic sewage pit	400
3	Installation of soft water equipment for process cooling water towers	1,000
4	Replacement of the spinning machine's O2 monitoring and gas automatic regulation system	1,500
5	Replacement of resin pipes	560
6	Replacement of the #2 drying fan (100 HP)	3,000
7	Replacement of #3 rubber mixing tank	600
8	Replacement of main furnace transformer	13,345
9	Conversion of natural gas combustion for edge heating of the packaging machine's PE film exit to infrared electric heating with hot air delivery (in preparation by manufacturer)	370



Expenditure Item	Project Name	Amount
10	Rectification of the energy supply method for the ceiling line drying furnace (evaluation of hot-melt adhesive in progress)	390
11	Cooling fan located behind the furnace (procurement inquiry in progress)	855
	Total	30,820
Zhongshan Plant		
1	Pure water preheating system	1,579
2	Expenses for monitoring environmental emissions and wastewater	2,500
3	Costs associated with operating and maintaining air and water pollution monitoring instruments	1,400
	National Ranking of Taiwan Account Commission Service Fees	200
	Total	5,679
	Total of the Company	69,064

4. The impact of improvement: improving production efficiency, saving energy and reducing waste.

(III) The EU Restriction of Hazardous Substances Directive (RoHS) has no impact on the Company.

V. Labor Relations

(I) Employee Welfare Measures, Continuing Education and Training, Retirement System and Implementation Status, as well as Agreements between the Company and Employees and Measures for Protecting Employees' Rights and Interests

1. Benefit Measures

(1) Formulate and implement reasonable employee welfare measures (including salary, leave and other benefits, etc.), and appropriately reflect business performance or results in employee remuneration in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

- (2) All the employees in the Company participate in labor insurance, health insurance and group insurance, and are given medical benefits for their spouses and children and medical care for cancer. In addition, the Company also purchases travel insurance for traveling employees, thereby fully protecting employees' various insurance needs. Employees in mainland China are provided with social security that mainly includes basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, and maternity insurance.
- (3) The Company organizes regular health checkups for its employees and pays great attention to their health.
- (4) According to the Company's Articles of Incorporation, if the Company posts a net profit in the current year, employee compensation shall not be less than 1% of the Company's net profit for the current year, while the performance bonus and year-end bonus shall also be distributed based on the Company's business performance and individual performance.

2. Implementing education and training

- (1) The Company has always valued employees' continuing education and training and formulated the employee training standards to provide pre-employment training, on-the-job training, work instructions, and online learning to improve the skills and quality of employees.
- (2) The Company has designed tiered courses to encourage employees to actively learn and study. Employees must complete the prescribed courses before they can be officially promoted.



- (3) The Company has set up an employee training database to record the progress of employees, and requires them to attend at least 8 hours of training every year.
- (4) In addition to conducting a survey among trainees for each course, the Company has also designed a comprehensive survey at the end of a year as a reference for improving training operations.
- (5) Continuing education and training at each plant: In addition to assigning employees to participate in external professional training, the Group also organizes various internal training programs. The Plants continuously send employees to participate in labor safety, technology training, and various external operations and safety training. Each plant also organizes various internal training programs and they also organize periodic General Manager management seminars and various management skills training programs to strengthen cohesion and improve management skills. The contents are summarized below:

In 2024, the total training hours for employees reached 17,176 hours, with an average of 35.6 hours per person, achieving the original target of 18.5 hours per person. We provide subsidies for employees with high willingness to learn and development potential to pursue further education in domestic universities, supplemented by job adjustment experience, in order to cultivate excellent corporate talents.

Statistics on the number of hours of further education and training in each operating station in 2024

Education and training participation		Male	Female	The whole company
Supervisors	Average (hour/number of people)	43.8	35.2	42.1
Direct staff (employees)	Average (hour/number of people)	31.1	33.6	31.2
Indirect staff	Average (hour/number of people)	47.0	36.5	43.3
The whole company	Number of participants	4985	737	5722
	Hours	14781	2395	17176
	Number of employees	415	67	482
	Average (hour/number of people)	35.6	35.7	35.6

Remarks: Direct staff are workers, and indirect staff are employees who are not supervisors.

Classification of Education and Training Hours by Curriculum in 2024

Course Type	Hours	Proportion
Management skills	2586.5	15.1%
Professional skills	5300.5	30.9%
Occupational safety and environmental protection	7022	40.9%
Others	2267	13.2%

(6) The talent training expenditure in 2024 totaled NT\$1,697 thousand.

3. Retirement system and implementation status

(1) For employees eligible for the pension pursuant to the Labor Standards Act, the Company has contributed a pension preparatory fund equal to 12% of their monthly salary to a dedicated account and established the Labor Pension Reserve Fund Supervision Committee to manage and supervise its operations.



- (2) In accordance with the Labor Pension Act, the Company allocates 6% of an employee's total monthly salary as a retirement reserve fund to the dedicated personal account managed by the Bureau of Labor Insurance and notifies the employees in writing each month.
 - (3) Employees of companies in Mainland China are given social security payment according to their average monthly income based on average monthly salaries in the previous year in accordance with the requirements set forth by the Ministry of Labor and the Regulations on the Composition of Gross Wages set forth by the National Bureau of Statistic in Mainland China.
4. Agreements between the Company and employees and measures for protecting employees' rights and interests

For good labor and management relations, the Company maintains communication with officers of the labor union and has also set up a mailbox for employees to freely express their views.

5. Licenses held by the personnel involved in the transparency of financial information

Department	Name	Certification
Auditing Division	Hsu, Liang-Wei	Internal Audit Association of the Republic of China Certificate No.: J.X.B.Z.F.Z. 1131067 Certificate No.: J.X.B.Z.F.Z. 1133530
Auditing Division	Tu, Ying-Chun	1. International certified internal auditor (CIA) 2. Certification of Qualification for Enterprise Internal Control Basic Abilities Test offered by the Securities and Futures Institute

6. Employee Code of Conduct or Ethics

- (1) The Company has formulated Employee Work Rules which are given to employees while starting their job and are provided access to the Company's website (<https://www.ttc.com.tw>) too for their reference. There are written regulations for employees and the ethics to be followed. Both employees and the management shall abide by them for an orderly workplace.
- (2) To protect the Company's reputation for ethical and decent management, the Company has established the Code of Work Ethics and Professional Ethics, and includes this code as part of the new employee training program. If any employee violates this code, the violation will be included in the employee's performance evaluation. Employees who violate this code in a serious manner will be punished according to the Employee Work Rules.
- (3) The Company signs a letter of undertaking with each new employee to specify his or her obligations.
- (4) To enhance ethical corporate management at the Company, the Human Resources Division has established ethical management policies and prevention plan, and regularly report the implementation of such policies and plan to the Board of Directors. Besides, the Human Resources Division has also established the "Sustainable Development Best Practice Principles" which stipulates sustainable development policies, systems and management guidelines



- (5) In order to ensure that the conduct of the Company's Directors and managerial officers is in line with the ethical standards, the Company has formulated a Code of Ethical Conduct for Directors and Managerial Officers with reference to the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE or TPEx Listed Companies, and has made it as part of the compulsory study materials for relevant personnel every year. The targets for these guidelines include the Company's Directors and managerial officers, and other personnel with signing authority over management affairs at the Company. The contents of these guidelines include avoiding conflict of interests with the Company due to improper benefits provided by individuals holding the specific positions in the Company for their relatives. These guidelines serve to prevent: (1) competition with the Company, and (2) opportunities for personal gains or direct private gains through the use of the Company's properties and information or by virtue of the specific positions held in the Company.

Targets for the aforementioned guidelines shall assume confidentiality obligations to protect the Company's confidential information, including all undisclosed information that can damage the Company after leakage. In addition, the Company shall offer equal treatment to its suppliers, customers, competitors and employees, and shall not make false statements about important matters or engage in other unfair trading methods to obtain improper benefits. For related content, please visit the Company's website (<https://www.ttc.com.tw>).

7. Work Environment and Personal Safety Protection Measures

- (1) To maintain workplace safety for employees, the Company has installed pollution prevention and fire safety equipment and introduced an environmental management system (ISO 14001) and occupational safety and health management system (ISO 45001) and Process Safety Management (PSM) to build a sound management system and provide a safe and healthy working environment.
- (2) The Company provides personal protection equipment such as earmuffs, ear plugs, visors, and toxicity filtering masks. It also organizes training from time to time or send employees to participate in related training to improve their knowledge and ideas/skills in occupational safety.
- (3) To reduce the risk of hazards in processes and related operations, and the impact of products, services and activities on the environment through process and operational improvements, good management and optimal use of limited resources.
- (4) The Company participates in and supports activities relating to responsible care, and incorporates them into the operations of its management system. Besides, the Company also makes timely response to the demand of the public and other stakeholders, so as to gradually realize the concept of responsible care.
- (5) The Company selects and uses the best and most feasible technologies and management techniques, and is committed to housekeeping, industrial waste reduction, cherishing resources, pollution prevention and safeguarding the health and safety of employees, contractors and nearby residents.



- (6) The Company continues to provide employees training and participate in communication and consultation with employees, encourages participation of all employees, and strengthens communication and consultation with contractors and customers, so that they fully understand the Company's occupational safety and health environment and energy policies.
- (7) The Company implements inspections audits and management reviews to continuously improve and enhance its overall occupational safety and health and environmental management performance.
- (8) The Company has established an occupational safety and health organization and set up a labor union at Linyuan Plant, Qianzhen Plant and Toufen Plant, respectively, in addition, each plant has also established the Occupational Safety and Health Committee in accordance with the Regulations Governing Occupational Safety and Health. In the committee, labor representatives are elected by the labor union. The committee holds a meeting every quarter, where labor representatives speak for all employees and discuss issues relating to environmental protection, safety and healthy with the management of the Company.
- (9) The Company implements occupational safety and health operations, participates in Taiwan Responsible Care Association (TRCA), the safety and health promotion associations and pollution control coordination groups in industrial parks. With regard to work safety, health and environmental protection, the Company engages in mutual observation and learning to enhance the protection of employees' safety and health, and regularly conducts emergency drills, fire drills and occupational safety and health training, so as to train employees to respond to emergencies and manage their safety.

- (II) In the most recent years as of the publication date of the annual report, the losses suffered due to the labor disputes (including matters with labor inspection results that violate the Labor Standards Act, the punishment date, the punishment font size, the provisions of the statute violated, the content of the statute violated, and the punishment content are listed), and the current and future estimated amounts and responding measures shall be estimated. If it cannot be estimated reasonably, state the fact that it cannot be estimated reasonably:

The Company enjoys harmonious relationship between labor and management and there are no major labor disputes or losses as of date of the publication of the annual report.

VI. Information Security Management

- (I) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.:

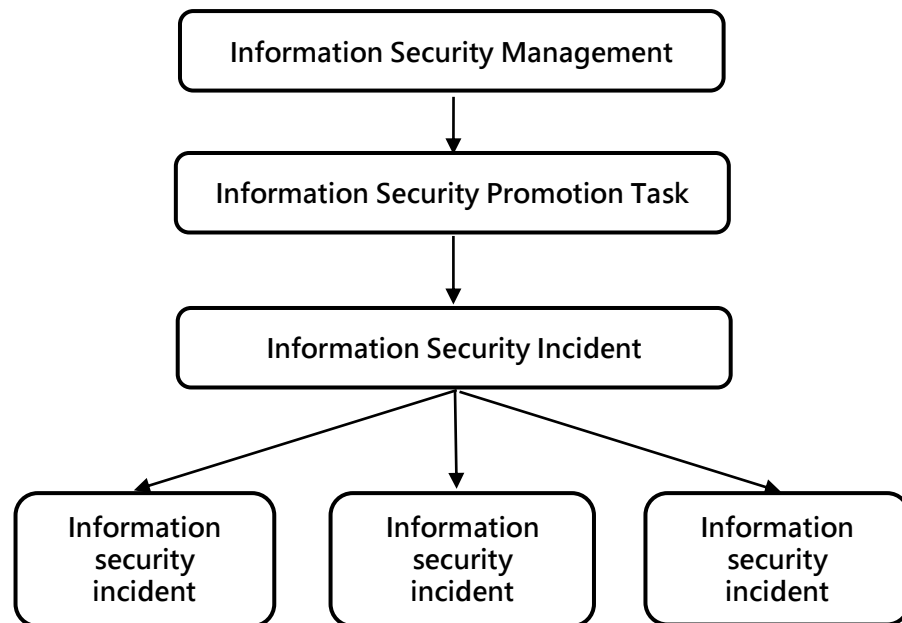
1. Information security risk management framework:

(1) Information security governance organization:

The Company holds an annual “Information Security Management Review Meeting “ at fixed date, make a judgment on the six input projects (resolution status of past management reviews, changes to internal and external issues related to the information security management system, feedback on information security performance, feedback from related parties, status of risk assessment results and risk management plans, opportunities for continuous improvement) of the information security system management, and make a conclusion on the two output projects of the information security management system (including decisions related to continuous improvement opportunities and any need for changes to the information security



management system), to achieve the objectives of the information security management system. Organization Chart of Information and Communication Security Management Review Committee:

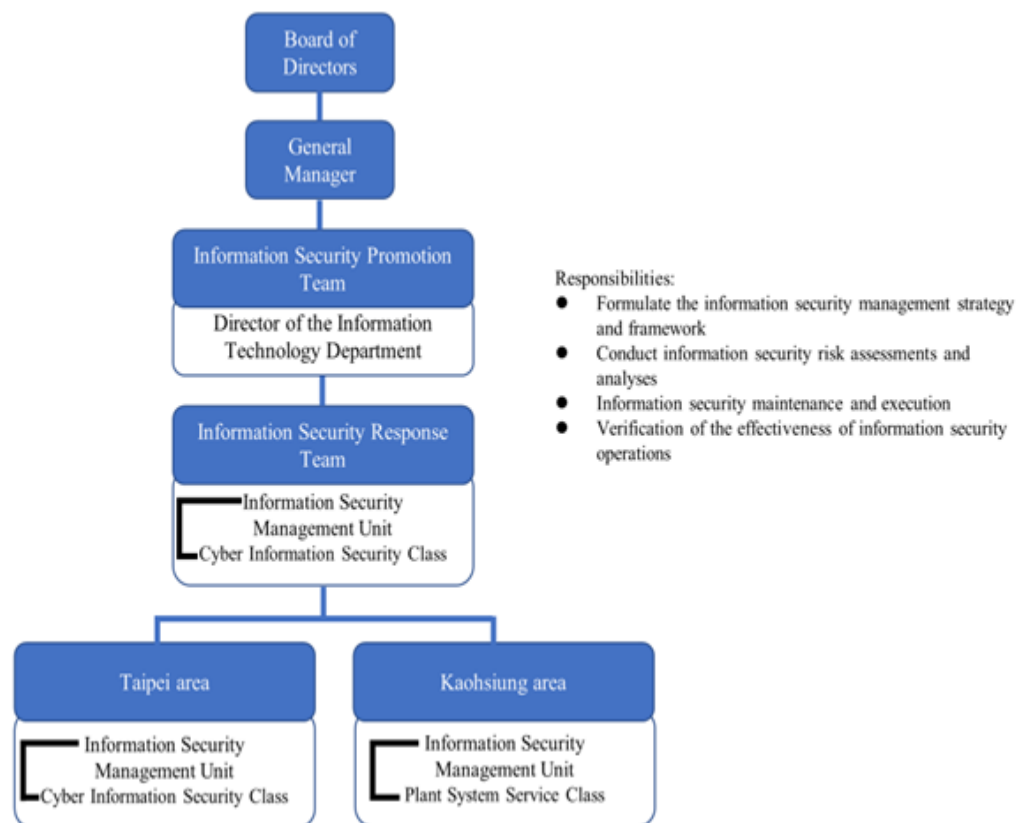


(2) Enterprise information security organization framework:

According to the provisions in the standard operating procedure (SOP) of the Company "Setting Standards of Information Security Promotion Organization," an "information security promotion team" has been set up to supervise the operation of internal information security management and define the roles and responsibilities of each promotion organization. Regular meeting is held once a year, and may be held immediately in the event of a major information security incident within the Company. The Director of the Group's Information Technology Department serves as the convener of the Team and takes charge of the meetings of the Information Security Implementation Team as well as decisions and arbitration of opinions in the meetings. The executives of units under the jurisdiction of the Information Technology Department

are members of the Team. In the event of a material information security incident, the Director of the Information Technology Department shall report to the General Manager or heads of related departments.

Organization Chart of Information Security Promotion Team



Responsibilities of Information Security Promotion Team:

- Formulate the structure of the Information Security Management Strategy
- Conduct information security risk assessments and analyses
- Information security maintenance and execution



- Verification of the effectiveness of information security operations

2. Information Security Policy:

(1) Information security management strategy and framework

(a) ISO 27001 information security system:

Since 2014, the ISO/IEC 27001:2013 Information Security Management System has been established and continuously operated. Every year, external professional asset safety audit and certification companies are engaged for review. Up to now, the Company has passed certification audits for 9 consecutive years (The current certificate is valid from July 4, 2023 to October 31, 2025).

(b) (b) NIST CSF Information Security Management Framework:

Incorporated into the Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST).

(2) Enterprise information security risk management and continuous improvement framework

Based on the ISO 27001 information security management system, supplemented by the NIST CSF information security management framework, it strengthens risk management and control, improves information security resilience, and has the ability to withstand, contain and quickly recover from information security incidents, so as to continue to provide key operational services.

3. Specific management plan

- Vulnerability scanning detection: Regularly perform server operating system vulnerability scanning detection to identify potential risks, make system corrections or propose compensatory measures, and improve information security. It has been continuously running for 9 years so far.
- Information asset control: establish an information asset management platform to log information assets, note asset items, usage status, and maintain records, and conduct regular inspection and maintenance.
- Firewall and industrial control equipment (OT): Palo Alto networks 3220 is adopted to improve the execution efficiency of filtering incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure with the next-generation 7-layer firewall system.
- Critical Server (SEVER): deploy Crowd Strike terminal endpoint detection software, use artificial intelligence (AI) and machine learning (ML) modes of non-feature comparison, to analyze potential attack behaviors in real time, and block known and unknown potential threats.
- Email: Adopt the Microsoft Office 365 solution, plus Advanced Threat Protection (ATP) service mechanism, enhancing defense against unknown malicious linkage and phishing emails. Through migrating email hosting to the cloud, we gradually reduce the number of AD and DC (Domain Controller) hosts, thereby reducing the potential attack scope.
- Office equipment (IT): Utilizing Trend Micro antivirus software to detect abnormal network usage behaviors, such as monitoring user login to AD (Active Directory) hosts and blocking attacks in time.



- Annual cybersecurity inspections of the Group's external network laptops are conducted regularly to ensure compliance with the latest information security policies. This process promptly identifies and addresses potential security vulnerabilities, reducing the risk of external malicious threats or attacks.
 - Personnel information security management: Prevent hacking or data leakage, and organize at least four hours of information security education and training for the information personnel conduct every year.
 - Social engineering exercises: External consultants are engaged to conduct social engineering exercises at least twice every year to enhance employees' awareness of information security for the purpose of maintaining information security and protecting information from foreign intrusion and theft.
4. Resources invested in the security management of Zitong:
- Information security has become a critical issue for the Company's operations. The following outlines the corresponding plans for information security management and resource allocation:
- Dedicated Personnel: Establish a dedicated corporate unit called the "Cyber Information Security Class," comprising a dedicated officer and personnel responsible for information security planning, technology implementation, and related audit matters. This department will be responsible for maintaining and continuously enhancing information security.
 - Certification: Achieved ISO 27001 Information Security certification for ten consecutive years, with no material deficiencies identified in related information security audits.

- Customer Satisfaction: There have been no major cybersecurity incidents and no complaints regarding customer data loss.
- Education and Training: All IT personnel have successfully completed two annual sessions of information and communication security education and training, including assessments. All employees of the Group participated in two annual social engineering phishing email drills, totaling 444 participants across the year.
- Information security investment: a total of about NT\$1,363 thousand.

Information Security Announcement: A total of eight notices have been issued.

- (II) List the losses suffered due to major information security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures. If the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be explained:

As of the publication date of the annual report, the Company has no losses suffered due to major information security incidents and the possible impacts.

VII. Important Contracts

- (I) Supply and Sales Contracts

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
Purchase of material	Taiwan Styrene Monomer Corporation	2023/1/1~2024/12/31 (Renewed every two years)	The Company purchases styrene from Taiwan Styrene Monomer Corporation and the price is determined through negotiations.	None
Purchase of material	Formosa Chemicals & Fibre Corporation	2024/1/1~2024/12/31 (Renewed every year)	The Company purchases styrene from Formosa Chemicals & Fibre Corporation and the price is determined through negotiations.	None

Review and Analysis of Financial Position and Financial Performance, and Risks



Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
Purchase of material	CPC Corporation	2024/1/1~2024/12/31 (Renewed every year)	CPC Corporation has agreed to supply butadiene to the Company every year at a price set by it. Payment for the material must be made on the 15th of the following month after delivery.	None
Purchase of material	Formosa Petrochemical Corporation	2024/1/1~2024/12/31 (Renewed every year)	Formosa Petrochemical Corporation has agreed to supply butadiene to the Company every year at a price set by it. Payment for the material shall be made on the 14th of the following month after delivery.	None
Purchase of material	China Petrochemical Development Corporation	2024/1/1~2024/12/31 (Renewed every year)	China Petrochemical Development Corporation has agreed to supply acrylonitrile to the Company every year at a negotiated price. Payment for the material shall be made on the 15th of the following month after delivery.	None
Purchase of material	CNOOC and Shell Petrochemical Co., Ltd (CSPC)	2024/1/1~2024/12/31 (Renewed every year)	The Company purchases polystyrene from CNOOC and Shell Petrochemicals every year at a negotiated price. The Company is required to provide domestic letters of credit before loading.	None
Purchase of material	SinoPec Chemical Sales (Huanan) Co., Ltd.	2024/1/1~2024/12/31 (Renewed every year)	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd. agreed to supply styrene to the Zhongshan Company every year at a price based on the original price agreed to by both parties. Payment for the material must be made before delivery.	None

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
Purchase of material	China National Petroleum Corporation South China Chemical Sales Branch	2024/1/1~2024/12/31 (Renewed every year)	China National Petroleum Corporation South China Chemical Sales Branch agreed to supply styrene to the Zhongshan Company every year at a price based on the original price agreed to by both parties. Payment for the material must be made before delivery.	None

(II) Technical Cooperation Contracts

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
Technical cooperation	TAICA (Japanese Company)	Starting from November 25, 1996, the request will be automatically extended every five years if there is no objection by both parties after the contract expires	This contract involves the transfer of cubic printing technology, which is the first of its kind in the world and enables printing of various patterns on uneven surfaces (such as telephones, automobile parts and components) to add value to products. This technology has been patented in many countries, including the United States, Japan, Canada, Germany, the Netherlands, France and the United Kingdom.	None
Provision of Technology	Owens Corning Company (American Company)	2024/4/1-2034/3/31	Provision of expertise on the manufacture of glass wool insulation products for the Company.	None

(III) Construction contracts: None.

Review and Analysis of Financial Position and Financial Performance, and Risks



(IV) Long-term Loan Contracts

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
Long-term Loan Contracts	Bank of China, Taipei Branch	2024/07/26 ~ 2027/07/25	To improve Taita Chemical Co., Ltd.'s financial structure and strengthen its working capital.	Maintenance of a certain financial ratio.
Long-term Loan Contracts	Taishin International Bank	2024/06/20 ~ 2027/05/31	To improve Taita Chemical Co., Ltd.'s financial structure and strengthen its working capital.	Maintenance of a certain financial ratio.
Long-term Loan Contracts	Yuanta Commercial Bank	2023/05/05 ~ 2026/05/05	To improve Taita Chemical Co., Ltd.'s financial structure and strengthen its working capital.	Maintenance of a certain financial ratio.
Long-term Loan Contracts	EnTie Commercial Bank, Ltd.	2024/05/17 ~ 2027/05/17	To improve Taita Chemical Co., Ltd.'s financial structure and strengthen its working capital.	None
Long-term Loan Contracts	Mizuho Bank	2023/08/30 ~ 2026/08/30	To improve Taita Chemical Co., Ltd.'s financial structure and strengthen its working capital.	None

Chapter 5. Review and Analysis of Financial Position and Financial Performance and Risk Matters

I. Financial Position

Comparison Analysis of Financial Position

Unit: NT\$ 1,000

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	6,505,163	5,515,323	989,840	18
Real property, plant and equipment	1,929,504	1,937,325	(7,821)	0
Intangible assets	0	498	(498)	(100)
Other assets	1,404,910	1,438,207	(33,297)	(2)
Total assets	9,839,577	8,891,353	948,224	11
Current liabilities	3,195,806	1,920,663	1,275,143	66
Non-current liabilities	345,884	322,699	23,185	7
Total liabilities	3,541,690	2,243,362	1,298,328	58
Share capital	3,975,868	3,975,868	0	0
Capital surplus	3,242	3,201	41	1
Retained earnings	2,241,016	2,555,838	(314,822)	(12)
Other equity	77,761	113,084	(35,323)	(31)
Total equity	6,297,887	6,647,991	(350,104)	(5)
(I) Main reasons for material changes in assets, liabilities and equity in the most recent two years (by more than 20% and NT\$10 million)				
1. The increase in current liabilities and total liabilities is primarily due to the rise in short-term borrowing caused by increased losses.				
2. The decrease in other equity is primarily due to unrealized valuation losses on financial assets measured at fair value through other comprehensive income.				
(II) Effects: No material effect.				
(III) Future response plan: Not applicable.				



II. Financial Performance

(I) Comparative analysis of financial performance

Unit: NT\$ 1,000

Item \ Year	2024	2023	Amount of increase (decrease)	Percentage of increase (decrease) (%)
Sales revenue	18,622,910	15,205,462	3,417,448	22
Cost of goods sold	17,744,822	14,769,885	2,974,937	20
Gross profit	878,088	435,577	442,511	102
Operating expenses	1,239,056	899,974	339,082	38
Net operating loss	(360,968)	(464,397)	103,429	(22)
Non-operating income and expenses	119,226	118,385	841	1
Loss before income tax	(241,742)	(346,012)	104,270	(30)
Income tax expenses	(18,730)	(72,475)	53,745	(74)
Net loss for the year	(223,012)	(273,537)	50,525	(18)
<p>(I) Main reasons for material changes (by more than 20%) in operating revenue, operating income and income before tax in the most recent two years (where gross profit changes by more than 20%, the following analysis of changes in gross profit (loss) shall be disclosed):</p> <ol style="list-style-type: none"> Reasons for the increase in gross profit, the reduction in net operating loss, pre-tax net loss, and net loss for the current year can be found in Section (2), "Analysis of Changes in Gross Profit (Loss)." The increase in operating expenses was mainly due to the increase in freight expenses. The decrease in income tax expense was mainly due to the decrease in pre-tax net loss. <p>(II) Sales volume forecast and basis According to the market supply and demand, the estimated sales volume in 2025 is: the estimated sales volume of petrochemical products is about 422,000 tons, and the estimated sales volume of glass wool products is about 12,000 tons.</p> <p>(III) Possible effects on the Company's financial operations in the future: None.</p> <p>(IV) Response plan: Not applicable.</p>				

(II) Analysis of Changes in Gross Profit (Loss):

Unit: NT\$ 1,000

	Change amount	Reasons for difference			
		Price difference	Cost difference	Difference in product sales combination	Volume difference
Gross profit from sales	442,512	1,541,806	(1,132,555)	62,239	(28,978)
Description	<p>1. Sales volume of ABS products increased, along with profit margins. However, the gross profit rose by only NT\$77,217 thousand compared to last year.</p> <p>Sales volume of GPS/IPS slightly declined; however, the profit margin increased, resulting in an overall gross profit increase of NT\$52,373 thousand compared to last year.</p> <p>The EPS products in Zhongshan experienced significant growth in production and sales due to the impact of the Mainland's appliance replacement subsidy policy. This led to an increase in profit margins for EPS products in Zhongshan and Cianjhen, resulting in an overall gross profit increase of NT\$313,680 thousand compared to last year.</p> <p>2. The sales of glass wool experienced a slight growth; however, the reduction in price differentials resulted in a decrease in gross profit of NT\$758,000.</p>				

III. Cash flows

(I) Analysis of changes in cash flow in the most recent year

Unit: NT\$ 1,000

Year	Beginning cash balance	Net cash inflow (outflow) from operating activities for the year	Other net cash inflow (outflow) for the year	Cash surplus (shortfall)	Cash inadequacy improvement plan
2024	2,211,329	(661,457)	(663,656)	886,216	N/A

1. The net cash outflow from operating activities is primarily due to the pre-tax net loss and the decrease in accounts receivable and inventory.
2. Other net cash outflows primarily pertain to the acquisition of property, plant and equipment.

(II) Improvement plan for cash shortage: Not applicable.

Review and Analysis of Financial Position and Financial Performance, and Risks



(III) Cash liquidity analysis for the coming year

Unit: NT\$ 1,000

Year	Beginning cash for balance	Cash outflow for the year	Cash outflow for the year	Cash surplus (shortfall)	Cash inadequacy improvement plan
2025	886,216	208,290	(243,990)	850,516	Not applicable

IV. Impact of Major Capital Expenditures on Financial Business in the Most Recent Year

Use of significant capital expenditures and sources of funds: None.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year

(I) Investment Policies in the Most Recent Year

In the most recent year, there were no reinvestments exceeding 5% of the paid-in capital.

(II) Main reasons for profit or loss: Not applicable.

(III) Improvement plan: Not applicable.

(IV) Investment plan for the upcoming year: None.

VI. Risk Analysis and Assessment

Risk Management Organization Structure

Key risk assessment items	Execution and responsible units	Supervision unit
1. Impact of interest rate, fluctuation in exchange, and inflation on the Company's gain and loss and future response measures	Finance Division	Audit Office
2. Policies on engaging in high-risk and high-leverage investments, provision of loans to others, making of guarantees and endorsements, and derivatives trading, major reasons for profit or loss, and future response measures		

Key risk assessment items	Execution and responsible units	Supervision unit
3. Future Research and Development (R&D) Plans and the R&D expenses expected to be invested	Research and Development Division	
4. The impact of changes in important domestic and foreign policies and laws on the Company's finance and business, and the corresponding measures	Legal Division Accounting Division	
5. Impact of technological and industrial changes (including information and communication security risks) on the Company's finance and business and corresponding measures	Information Systems Division ABS/PS Operations Department Toufen Plant	
6. The impact of changes in corporate image on the enterprise crisis management and the responding measures	Human Resources Division	
7. Expected benefits and possible risks of merger & acquisition and the countermeasures	Finance Division	
8. Expected benefits and possible risks of expansion of plants and the countermeasures	ABS/PS Production Department Toufen Plant	
9. Risks faced with centralized purchases or sales and the countermeasures	Procurement and Logistics Division ABS/PS Operations Department Toufen Plant	
10. The impact and risk of a significant transfer or replacement of equity by directors, supervisors, or major shareholders holding more than 10% of the shares on the Company and the countermeasures	Finance Division	
11. The impact, risks and response measures for changes in management rights on the Company	Board of Directors	

Review and Analysis of Financial Position and Financial Performance, and Risks



Key risk assessment items	Execution and responsible units	Supervision unit
12. For any litigious or non-litigious matters, the Company and its directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10 percent of the Company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that has been finalized or has remained pending, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as of the publication date of this annual report	Legal Division	
13. Climate change affects the Company's operations, finance, supply chain, policy and investment decisions, etc.	ESG Committee	
14. Responding to risks in environmental, social, and corporate governance issues	ESG Committee	

Risk management policy

(I) Impact of interest rate, fluctuation in exchange, and inflation on the Company's gain and loss and future response measures

Item	2024 (NT\$ thousands; %)
Net interest income (expenses)	6,327
Net currency exchange gain (loss)	102,227
Ratio of net interest income (expenses) to sales revenue	0.03%
Ratio of net interest income (expenses) to net income before tax	(2.62%)
Ratio of net currency exchange gain (loss) to sales revenue	0.55%
Ratio of net currency exchange gain (loss) to net profit before taxes	(42.29%)

1. Interest rate: In order to reduce the risk of interest rate fluctuation, idle funds will be invested in fixed deposit of banks, beneficiary certificates of money market funds, buy back transactions of bonds (bills) and REITs.

Based on short-term and medium-to-long-term funding requirements, allocate and plan financial institution credit lines, ensuring that the utilization rate does not exceed 50% to maintain liquidity and transfer flexibility. Simultaneously, monitor interest rate trends and adjust the ratio of floating to fixed interest rate credit lines flexibly, managing the Company's funding costs while stabilizing its financial structure.

2. Exchange rates: The Company hedges its net position of foreign currency generated by operation. In addition to closely following the trend of international foreign exchange market, it also seeks to avoid the risks through spot selling in the market and undertaking forward foreign exchange contracts.
3. Inflation: The main cost of the Company is the raw material cost, and the product selling price fluctuates in the same direction as the raw material cost. Continuously assess the exposure of assets and liabilities to interest rate changes to the Company.

(II) Policy Regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

1. Engaging in high-risk, highly-leveraged investment and lending funds to other parties:

The Company's Regulations Governing the Acquisition and Disposal of Assets stipulates that it shall not engage in high-risk and high-leverage investments. The Company has also established the Procedures for Loaning of Funds to Others, but it is yet to implement such an operation.

2. Making of guarantees and endorsements: Endorsements or guarantees are handled in accordance with the Company's Regulations Governing Endorsements and Guarantees, and evaluation before operation and follow-up are performed.



3. Derivatives trading: The Company engages in derivative commodity trading in order to avoid operational management risks. The trading commodities are mainly undertaken as forward foreign exchange and speculative operations are not involved. In addition, the counterparties should choose reputable financial institutions to avoid credit risks.

(III) Future Research and Development (R&D) Plans and the R&D expenses expected to be invested

Type	R&D item	Current progress	R&D expenditure to be invested (NT\$ thousands)	Expected year of completion	Factors affecting R&D results in the future
ABS	Butadiene emulsion polymerization-reactor stirring blade control of PBDL particle size and concentration control study	60%	9,000	115	Processing hardware Human resource allocation
ABS	Application and development of TAIECOR products	50%	1,000	114	Human resource allocation Market demand layout
GPPS	Certification for high-value water material applications	50%	700	114	Formulation design Market demand layout
EPS	Development of alternative formulations for raw materials in EPS polymers subject to REACH regulations on restricted substances	60%	1,000	114	Formulation design

- (IV) The impact of changes in important domestic and foreign policies and laws on the Company's finance and business, and the corresponding measures
1. Please refer to (3) The EU Restriction of Hazardous Substances Directive (RoHS) has no impact on the Company in IV. Expenditure Related to Environmental Protection in Chapter 5. Operations Overview.
 2. The Company keeps monitoring the impact of the newly applicable IFRSs, various rental incentives and other statutory updates on the Company's taxation.
 3. Continuously assess the impact of the European Union's Carbon Border Adjustment Mechanism (CBAM), the implementation of carbon pricing, carbon tax, and carbon fees in Taiwan, as well as the implications of drafting the "Climate Change Adaptation Act."
 4. For the assessment of legal risks and countermeasures, the Company has a legal department to review important contract documents, legal documents and prompt risks in advance, and provide legal advice to deal with legal affairs whenever necessary, so as to protect the Company's rights and interests and reduce the risk of default and loss. In addition, the accounting department evaluates the impacts of changes in accounting and tax-related laws and regulations on the financial operations of the Company at all times and come up with action plans. It would discuss with CPAs to make prior planning for the relevant changes.



(V) Impact of technological and industrial changes (including information and communication security risks) on the Company's finance and business and corresponding measures

1. Risk of information technology security:

Plant maintenance management is the core of the manufacturing industry, and its production processes and procedures are mainly managed and controlled by the Operational Technology (OT), such as the Distributed Control System (DCS) and the Supervisory Control and Data Acquisition (SCADA) system. Based on requirements such as production stability, the operating system or program itself is often not upgraded and updated after installation, and becomes the so-called Legacy System. Its security protection level is compared with that of general Information Technology (IT), such as: ERP, CRM, OA and other hardware equipment, is obviously insufficient.

2. Management measures for information technology security:

- The Company's internal audit department and external professional security consulting company will conduct the audit regularly. In addition, external professionals have urged the British Standards Institution (BSI), an internationally renowned certification company, to carry out the ISO 27001 certification audit every year. In addition to reviewing the information and communication security risk assessment management framework, we also provide assistance and prevention measures for internal and external issues and conduct information and communication security risk assessments and analyses.
- A Multi-Factor Authentication (MFA) mechanism is fully enabled in the Group's mail system. Besides the first password authentication, other tools are used for the second authentication to enhance the level of security.

- Industrial control equipment (OT) adopts Palo Alto networks 3220 to improve the execution efficiency of filtering incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure with the next-generation 7-layer firewall system.
- External device control for strengthening industrial control equipment: Restricting USB access to prevent data leakage and external information security attacks, avoiding impact on the production line.
- External storage media health check: Comprehensive examination of external storage media through regular virus scanning, inspection, and inventory to reduce the risk of data loss and hidden information security threats from external devices.
- External consultants are engaged to conduct vulnerability scanning for operating systems, such as servers, every year to identify potential risks and modify systems or propose compensatory measures.
- Enhance personnel information security management, prevent hacking or data leakage, and organize at least four hours of information security education and training for the information personnel conduct every year, and enhancement of employees' awareness of information security through sharing of new information on information security.

(VI) The impact of changes in corporate image on the enterprise crisis management and the responding measures

The Company always upholds the principles of professionalism and integrity. The Company pays close attention to corporate governance and fulfill corporate social responsibility. Therefore, there is no foreseeable risk associated with changes in corporate image.



(VII) Expected benefits and possible risks of merger & acquisition and the countermeasures

There has been no merger and acquisition implemented by the Company in the most recent year up to the date of publication of the Annual Report.

(VIII) Expected benefits and possible risks of expansion of plants and the countermeasures

In order to expand the product development of the Company, after careful evaluation, the subsidiary TAITA (BVI) Holding Co., Ltd will invest and set up the company Zhangzhou Taita Chemical Co., Ltd. in Gulei Port Economic Development Zone, Zhangzhou, Fujian Province to engage in EPS business.

(IX) Risks faced with centralized purchases or sales and the countermeasures

The Group had no customer whose sales accounted for more than 10% of the total sales in 2024.

In addition, the bulk raw materials are widely dispersed and easily available in the spot market, so there is no concentration risk.

(X) The impact and risk of a significant transfer or replacement of equity by directors, supervisors, or major shareholders holding more than 10% of the shares on the Company and the countermeasures: None.

(XI) The impact, risks and response measures for changes in management rights on the Company

There have been no changes in management control at the Company in the most recent fiscal year up to the publication date of this annual report.

- (XII) For any litigious or non-litigious matters, the Company and its directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10 percent of the Company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that has been finalized or has remained pending, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as of the publication date of this annual report

Significant litigious, non-litigious or administrative disputes that have been decided or are still pending in the most recent fiscal year up to the publication date of this annual report:

- (1) The Company: None.
- (2) Directors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10% of the Company's shares: None.
- (3) Investee companies adopting equity method:

The Company's investee company China General Terminal & Distribution Corporation (hereinafter referred to as CGTD) adopting equity method was entrusted to operate the propylene pipeline of LCY CHEMICAL CORP. (hereinafter referred to as LCY), experienced a gas explosion on the evening of July 31, 2014. The criminal part of the gas explosion case was rejected by the Supreme Court on September 15, 2021, and the 3 employees of CGTD were found innocent.



On February 12, 2015, CGTD reached an agreement with the Kaohsiung City Government to provide pledging certificates of bank deposits of NT\$234,785 thousand, including interest, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of NT\$ 99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of March 31, 2025, CGTD had bank deposits amounting to NT\$6,401,000 that were seized.

For the victims of the gas explosion, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on July 17, 2015 agreeing to negotiate the compensation first with the 32 severely injured victims, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"), paying the families of the victims NT\$12,000 thousand for each victim, with a total settlement of NT\$384,000 thousand. The compensation was advanced by LCY Chemical Corp., who was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties involved. And as separately agreed by the parties on August 10, 2022, NT\$157,347 thousand, accounting for 30% of the negligent liability decided in the first instance, shall be paid to LCY Chemical Corp., and the rest shall be done after the ruling of the civil action.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of March 31, 2025, victims and their families have filed civil (including supplementary civil action) lawsuits against LCY Chemical Corp., CGTD and CPC Corporation for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim of NT\$46,677 thousand, and the amount of the settlement was NT\$4,519 thousand. The compensation amount still in the lawsuit and the settlement amount for the victims and the seriously injured as mentioned in the previous paragraph amounted to \$3,831,211 thousand. The first instance of some of these civil cases (indemnity amount of NT\$1,467,830 thousand) have been convicted since June 22, 2018 and the verdict of most cases determined that the negligence liability ratio of Kaohsiung Municipal Government, Lee Chang Yung Chemical (LCY Chemical Corp) and CGTD was 4:3:3, and that CGTD, LCY Chemical Corp and other defendants should pay compensation of about NT\$401,979 thousand (of which \$6,194 thousand was exempted from liability by the court).



In the civil cases that have been adjudicated in the first instance and have not reached a settlement, CGTD has filed an appeal for the second instance. Starting from July 10, 2024, judgments have been rendered successively, and as of March 31, 2025, there have been nine cases adjudicated in the second instance concerning claims by the Kaohsiung City Government (the claimed compensation amount is approximately NT\$1,137,677 thousand). Among these, eight cases determined that CGTD should bear joint liability for 10% (five cases) or 20% (three cases) of the fault responsibility, resulting in a total compensation amount of NT\$79,726 thousand that CGTD should jointly pay with LCY Chemical Corp. Additionally, one case determined that CGTD should independently bear 10% of the fault responsibility, with an independent compensation amount of NT\$297 thousand. Furthermore, in the second instance, judgments have been rendered in the claims by Taiwan Power Company (the claimed amount is NT\$265,822 thousand) and the National Health Insurance Administration (the claimed amount is NT\$35,688 thousand), which determined that CGTD should jointly compensate NT\$108,835 thousand with LCY Chemical Corp. For the aforementioned cases adjudicated in the second instance, except for those where appeals to the third instance are not permitted, CGTD has filed appeals to the third instance. The remaining cases are still under review by the Court of First Instance (the requested compensation amount is approximately NT\$1,860,557 thousand)

Based on the negligence liability ratio determined by the relevant court rulings for this gas explosion incident, the estimated settlement amount for fatalities and severe injuries, as well as compensation for civil lawsuits (including settled cases), has been calculated. After deducting the maximum insurance coverage, the estimated amount to be borne by CGTD has been recorded at NT\$136,375 thousand. However, the actual amount of the aforementioned relevant settlements and compensation will not be confirmed until the proportion of the liabilities that should be borne by CGTD is determined in the civil case judgment in the future.

- (XIII) Climate change affects the Company's operations, finance, supply chain, policy and investment decisions, etc.

Climate change poses a global challenge that affects us all. To align with international standards and fulfill the requirements of sustainable development, our nation announced on February 15, 2023 the amendment of the Greenhouse Gas Reduction and Management Act to the Climate Change Response Act. In light of the impact of climate change, carbon reduction has become a global collaborative endeavor. At the beginning of 2022, Taita Chemical Co., Ltd. set a target for its Taiwan production facilities to achieve a 27% reduction in carbon emissions by 2030 compared to 2017 levels. Furthermore, in 2023, the Company established a long-term objective of reaching carbon neutrality by 2050.

In order to achieve its sustainable vision, Taita Chemical Co., Ltd. is actively implementing response strategies and management mechanisms through practical actions. The domestic production plants are continuing to implement ISO 14064-1 Greenhouse Gas Inventory and Verification and have plans to execute carbon reduction plans. The Company has also supported the active development of external renewable energy projects. By the end of 2024, solar energy projects had achieved a cumulative grid-connected capacity of 8.6 MW, generating approximately 10.73 million kWh of green electricity annually; additionally, the Company plans to purchase 830,000 kWh of green electricity from USI Green Energy Corporation.



Taita Chemical is aligning with the group's 2030 carbon reduction target to chart its own path towards carbon reduction. Moving forward, the Company will proactively implement energy-saving and carbon reduction measures. The midterm decarbonization strategy will prioritize the transition to low-carbon energy, enhancing energy efficiency, implementing intelligent monitoring, and promoting the installation and utilization of renewable energy. The long-term decarbonization strategy will further prioritize low-carbon fuels, carbon capture and utilization technologies, and negative carbon emission technologies to attain carbon neutrality and foster sustainable development.

Taita Chemical has established the Sustainable Development Committee under the Board of Directors as the highest authority for climate management. The committee is led by an independent director and conducts annual reviews of the company's climate change strategies and goals. It also manages climate change risks and opportunities, and evaluates the progress of implementation, reporting directly to the Board of Directors. The Company utilizes the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities. It assesses risks and opportunities across various departments, evaluates their financial impacts, and establishes response plans. The Company plans to conduct a comprehensive assessment every three years and review and update it annually.

1. Identification of climate change risks and opportunities

In response to the escalating global climate change, Taita Chemical Co., Ltd. continues to adopt the TCFD framework, further identifying potential risk factors in the face of extreme weather conditions and seizing new business opportunities. Referencing the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction, projecting for conditions of rising temperatures, rainfall, flooding, and droughts during 2016-2035 under the

RCP 8.5 scenario. 3 physical risk issues were identified. Based on group strategy, industry characteristics, Intended Nationally Determined Contribution (INDC), and TCFD indicators, 9 transformation risk issues and 12 opportunity issues are identified, totaling 24 potential risk and opportunity topics.

In 2023, a questionnaire survey was conducted for the ESG committee and senior management to assess the relevance of various risks to the Company's operations and the potential timing of their impacts, as well as the developmental and executable nature of various opportunities. A total of 10 questionnaires were collected, and after statistical analysis by the team, 11 significant climate issues were identified (1 physical risk issue, 5 transformation risk issues, and 5 opportunity issues).

Taita Chemical Co., Ltd. conducted evaluations on the potential financial impacts of the 11 significant risk and opportunity items, and formulated response strategies and management mechanisms, aiming at understanding the potential impacts of climate change across various aspects and reducing operational impacts caused by extreme weather conditions, establishing a resilient climate change culture.

2. Potential financial impact of risks and opportunities

Climate change issue	Category	Description of risks and opportunity item	Potential financial impact	Company's strategy and countermeasure
Drought	Physical risk/Chronic	Due to climate change leading to global warming, climate patterns are no longer consistent. This is particularly evident in southern Taiwan, where prolonged periods of no rainfall have occurred, necessitating attention to water usage.	Increased operating costs If there is a water shortage, it will be necessary to purchase water trucks. In severe cases, production on the assembly line will be reduced or halted entirely. It is estimated that the cost of purchasing purified water will increase by NT\$24,000 per day.	<ol style="list-style-type: none"> 1. Monitoring of water conditions and emergency response procedures 2. Stop non-essential water usage and intensify pipeline inspections and switches. 3. Implement water improvement initiatives to progressively reduce total water withdrawal year by year.

Review and Analysis of Financial Position and Financial Performance, and Risks



Climate change issue	Category	Description of risks and opportunity item	Potential financial impact	Company's strategy and countermeasure
Government regulation or supervision - Water conservation charge	Transformation risk/Policy and law	The Ministry of Economic Affairs released the "Regulations on the Water Conservation Charge" in January 2023, which imposes a "Water Conservation Charge" on heavy water users with a monthly consumption exceeding 9,000 cubic meters during the dry season (January to April and November to December).	Increased operating costs The actual water consumption and water recovery rate during the dry season from November 2023 to April 2024 correspond to a water usage fee rate of NT\$340,000 per year (halved before 2025).	<ol style="list-style-type: none"> 1. Set unit product water consumption targets and achieve reduction targets year by year. 2. Improve wastewater recycling systems and enhance operational management to increase the volume of recycled water and reduce water consumption.
Carbon fee	Transformation risk/Policy and law	In August 2024, the Ministry of Environment announced the Regulations Governing the Collection of Carbon Fees, Regulations Governing Self-determined Reduction Plans, and the Designated GHG Emissions Reduction Goals for Entities Subject to Carbon Fees, which will impose carbon fees starting in 2025 on major carbon emitters with annual emissions exceeding 25,000 tons.	High input costs in the first phase, but low carbon emissions in the subsequent years, reducing operational costs Based on the carbon emissions of Taita Chemical's Linyuan plant in 2024, a carbon fee of NT\$300 per ton will be levied, resulting in an annual payment of NT\$4 million.	<ul style="list-style-type: none"> ● Incorporate carbon costs into investment assessments to improve the implementation opportunities for carbon reduction projects. ● Plan for energy conservation and carbon reduction measures from 2025 to 2030, including the replacement of outdated equipment and improvements in energy efficiency.
Renewable energy regulations - Risks of large electricity consumers' terms and conditions	Transformation risk/Policy and law	1. The "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity" of the Ministry of Economic Affairs requires large electricity consumers with a contract capacity greater than 5,000 kW to install renewable energy	Increased operating costs Taita Chemical Co., Ltd. plans to obtain green electricity from the Group's USI Green Energy Corporation in order to comply with regulatory requirements.	<ol style="list-style-type: none"> 1. Plan for energy conservation and carbon reduction measures from 2025 to 2030, including the replacement of outdated equipment and improvements in energy efficiency. 2. USI Green Energy Corporation, a subsidiary of USI Group, actively seeks suitable sites for investing in green energy development projects. By 2024, the cumulative installed capacity of solar photovoltaic systems reaches 8.6 MW,

Climate change issue	Category	Description of risks and opportunity item	Potential financial impact	Company's strategy and countermeasure
		<p>facilities with a contract capacity of 10% by 2025.</p> <p>2. In 2025, the Ministry of Economic Affairs announced energy-saving targets for large electricity consumers for the years 2025–2028. Companies with contracted electricity capacities ranging from 801 to 10,000 kW are required to maintain an average annual electricity saving rate of 1%, while those exceeding 10,000 kW must increase their target to 1.5%.</p>		<p>with an annual electricity generation of 10.73 million kWh. Taita Chemical Co., Ltd. estimates purchasing 830,000 kWh of green energy from USI Green Energy Corporation.</p>
Low carbon technology transformation	Transformation risk/Energy & technology	<p>Investments in the development of low-carbon technologies, including energy transformation, efficiency improvement, and fuel substitution for carbon reduction increases the technology costs for the enterprise.</p>	<p>Increase in capital expenditure and decrease in operating costs</p> <p>In 2024, Taita Chemical Co., Ltd. implemented 18 energy-saving and carbon reduction measures, with a total investment of NT\$14.2 million. This resulted in a reduction of 1.47 million kWh in electricity and a reduction of 724 tons of CO₂e.</p>	<p>Continue to plan for energy conservation and carbon reduction measures from 2025 to 2030, including the replacement of outdated equipment and improvements in energy efficiency.</p>
Increase in raw material prices	Transformation risk/Market	<p>1. With the future implementation of carbon taxes in mind, the cost of raw materials will incorporate carbon emissions, leading to an increase in prices.</p> <p>2. Extreme weather conditions have resulted in increased uncertainty regarding the transportation costs and delivery schedules of raw materials.</p>	<p>Increased operating costs</p> <p>Costs associated with the transportation of raw materials and products have increased.</p>	<p>1. Continuously promoting the recycling and reuse of substandard materials</p> <p>2. Assessing the feasibility of implementing AI-based intelligent scheduling within the factory.</p>

Review and Analysis of Financial Position and Financial Performance, and Risks



Climate change issue	Category	Description of risks and opportunity item	Potential financial impact	Company's strategy and countermeasure
High-efficiency production	Opportunity/ Resource efficiency	Through AI intelligent production, industrial motors, automatic packaging and other production tools, enhancing overall production efficiency and reducing energy consumption.	Increase in capital expenditure and decrease in operating costs By optimizing equipment and operation, increase production, improve energy efficiency per unit product, and reduce greenhouse gas emissions.	Participate in the 2025 Smart Petrochemical Safety Upgrade Subsidy Program, which encompass AI-planned projects, such as: gas detection data analysis management, vehicle and environment management image recognition, personnel anomaly identification/personnel positioning, equipment/pipeline monitoring systems, factory operation management platform, and smart inspection systems, aimed at enhancing factory safety and operational efficiency.
Recycling and reuse - circular economy	Opportunity/ Resource efficiency	Based on the three principles of circular economy (3R): Reduce, Reuse and Recycle. Reduce the cost of waste disposal, or the amount of raw materials used.	Increased revenue 1. Procurement of waste glass for input into the production process of glass wool. 2. Recycling and reuse of ABS scrap materials at the Linyuan Plant.	1. Research and develop sustainable products by transforming waste glass into fire-resistant, thermal-insulating, and soundproof glass wool. The product has successfully obtained the Green Building Material certification. 2. Recycle the wastewater product powder in the process area to the process for reuse 3. The ABS manufacturing process at the Linyuan plant for TAIECOR™ materials has passed ISO 14021 certification, allowing for the recycling and remanufacturing of process waste.
Reduced water utilization and consumption	Opportunity/ Resource efficiency	Water is an irreplaceable resource in the manufacturing process. Reducing factory water leakage and increasing the proportion of water recycling and reuse saves operating costs and enhances the resilience of the factory.	Reduced operating costs 1. Improve water conservation and wastewater recycling through process improvement. 2. Include water use in monthly key performance indicator monitoring, conduct statistical	1. Plan to improve wastewater recycling facilities. 2. Improvement of process equipment and operation to reduce steam volume. 3. Continuously develop plans to reduce water consumption and promote water conservation.

Climate change issue	Category	Description of risks and opportunity item	Potential financial impact	Company's strategy and countermeasure
			analysis and comparison of water use, and immediately investigate and improve any abnormal water use.	
Use of low-carbon energy sources	Opportunity/Resource efficiency	Promote coal-to-gas plan and carbon reduction measures, increase the use of renewable energy, reduce carbon costs, and lower the carbon footprint of products.	Increase in operating costs and decrease in carbon fee Continuously invest in carbon reduction, cost, and benefits.	<ol style="list-style-type: none"> 1. Establish site for rooftop solar energy proposal 2. Prioritize natural gas source for purchased steam supply source. 3. Focus on and engage in the renewable electricity market. 4. In 2024, Taita Chemical Co., Ltd. implemented 18 energy-saving and carbon reduction measures, with a total investment of NT\$14.2 million. This resulted in a reduction of 1.47 million kWh in electricity and a reduction of 724 tons of CO₂e
Research and innovation in the development of new products and services - R&D of low carbon and energy efficient products	Opportunity/Products and services	Researching and developing products oriented towards circular economy, low-carbon, and energy-saving. Investing in technology from the perspective of the complete product and service lifecycle to develop low-carbon products.	Increased revenue <ol style="list-style-type: none"> 1. At Toufen Plant, the thermal insulation and cooling properties of glass wool can adjust indoor air conditioning to reduce the temperature by 2-3 degrees Celsius, resulting in energy savings for air conditioning. 2. The Linyuan Plant recycles process waste materials to enhance product quality. 	<ol style="list-style-type: none"> 1. At Toufen Plant, glass wool is made from recycled glass and possesses characteristics such as fire resistance, thermal insulation, heat retention, and soundproofing. It has passed multiple national standard testing items, meeting Class A flame retardancy standards while providing high sound absorption efficiency. Furthermore, it has obtained certification as healthy green building material. 2. The ABS manufacturing process at the Linyuan plant for TAIECOR™ materials has passed ISO 14021 certification, allowing for the recycling and remanufacturing of process waste.

Review and Analysis of Financial Position and Financial Performance, and Risks



(XIV) Responding to risks in environmental, social, and corporate governance issues

Material Issue	Risk evaluation item	Risk Management Policy or Strategy
Environment	Management of the environment	Establish environmental protection impact and grievance channels
	Environmental protection	Produce in accordance with the requirements of laws and regulations, improve water resource efficiency, reduce air pollutant emissions, and promote waste reduction and material circulation projects
	Climate change	Established the Group's Green Power Team to set a carbon reduction target for 2030 and a long-term carbon neutrality target for 2050. Formulate and promote various energy-saving and carbon reduction plans in the factory area
Society	Employee welfare	Provide employees with welfare measures and a safe and healthy work environment
	Social responsibility	Sponsor and participate community welfare activities
	Product responsibility	Establish MSDS for products as guidance for customers' use Require suppliers to jointly abide by environmental protection and occupational safety and health policies
Corporate Governance	Shareholder equity	The Company assigns dedicated personnel to handle its shares-related affairs to ensure quality and efficiency.
	Stakeholders	Set up stakeholder areas and respond to issues of concern to stakeholders
	Information disclosure	Appoint a spokesperson system to disclose financial and non-financial information on the Company's website

VII. Other Material Matters

The Company's Key Performance Indicators

1. Disaster-free Working Hours

Cumulative disaster-free working hours at each plant as of December 31, 2024:

Cianjhen Plant: 2,684,669 hours; Linyuan Plant: 2,099,314 hours;
Toufen Plant: 1,650,467 hours; Zhongshan Plant: 2,863,651 hours.

2. Equipment Operating Rate

Equipment operating rate for products in 2024:

ABS/SAN 83.54%, GPS 98.2%, EPS 97.0%, Glasswool 95.9%,
Zhongshan Plant 89.5%.



Chapter 6. Special Notes

I. Information on affiliates:

The consolidated business report, consolidated financial statements, and related party report for 2024 have been announced and filed on the Market Observation Post System (MOPS). Please refer to the Basic Information/Electronic Documents/Related Party Reports sections of the MOPS:https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=1309&year=&mtype=K&isnew=true.

II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

III. Other Supplementary Information: None.

IV. Occurrence of Any Events that have Significant Impact on the Shareholders' Rights or Securities Prices as Stated in Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act during the Most Recent Years and up to the Date of Publication of the Annual Report: None.

Taita Chemical Company, Ltd.

Chairman: Quintin Wu