

Stock Code : 1735



日勝化工股份有限公司

EVERMORE CHEMICAL INDUSTRY CO., LTD.

ANNUAL REPORT 2024

The date of publication: April 17, 2025

search website : <https://mops.twse.com.tw>
<https://www.twemc.com/>

Notice to readers

This English version Annual Report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

I. The Company's Spokesman

Name: Wu Pao Hua
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Tel. No.: (049)2263551
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Deputy Spokesman

Name: Ho Han Jen
Job Title: Factory Manager
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II. Address and Tel. No. of the Company and factories

head office : No.7, Gongye S. 2nd Rd., Nangang Industrial Park, Nantou City, Nantou County

Tel. No.: (049)2255356-7

Nantou Factory: No.7, Gongye S. 2nd Rd., Nangang Industrial Park, Nantou City, Nantou County

Tel. No.: (049)2255356-7

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Tel. No.: (03)3868956

III. Shares Administration Agency

Name: KGI Securities, Stock Administration Dept.

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Tel. No.: (02)23892999

Website: <http://www.kgiworld.com.tw/>

IV. CPAs certifying the latest annual financial statements

CPAs: Tai, Hsin Wei and Su Ding Jian

Firm Name: Deloitte & Touche

Address: 22nd Floor, No. 88, Section 1, Huizhong Road, Xitun District, Taichung City 40756

Tel. No.: (04)37059988

Website: <http://www.deloitte.com.tw/>

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.**VI. The Company's website: <https://www.twemc.com>**

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One. Letter to Shareholders

I. Operating Results for 2024

(I) Results of Business Plans

The Company's consolidated net revenue for 2024 is NTD 2,646,091 thousand, the consolidated net profit after tax was NTD 96,413 thousand and consolidated basic earnings per share after tax was NTD 0.97 per share.

The overall environment in 2024 was relatively stable; however, there was no significant growth in the consumption. Sales volume was slightly higher than that in 2023, but the average selling price was flat. The Company continued to adjust the product portfolio to increase the proportion of high-value products to maintain revenue and profits, while maintaining the quality of accounts and operating expenses at the same time. The overall operating result in 2024 was better than that in 2023.

Business performance:

Unit: NTD thousand

Item	2024	2023	Growth Rate
Operating Revenue	2,646,091	2,367,512	11.77%
Operating Profits	106,768	91,535	16.64%
Net income before tax	128,134	92,103	39.12%
Profit after tax	96,413	75,215	28.18%

(II) Budget Implementation

The Company has not disclosed the financial forecasts for the year of 2024.

(III) Financial Revenue and Expenditure

As of December 31, 2024, total assets were NTD 3,279,971 thousand, total liabilities were NTD 1,706,868 thousand, debt ratio was 52.04%, and current ratio was 113.06%.

(IV) Analysis of Profitability

Item	2024	2023
Return on assets (%)	3.47	2.84
Return on equity (%)	6.27	5.02
Income before tax/paid-in capital (%)	12.89	9.26
Net profit margin (%)	3.64	3.17
Earnings per share (NT\$)	0.97	0.76

(V) Status of Research and Development

1. R & D expenses spent in this year:

Item	2024
Amount (NTD thousand)	66,071
Proportion to operating revenue (%)	2.50%

2. The technologies or products developed successfully:

A. Sports sector

- i. The Company has successfully used biomass recycled materials to achieve the low-carbon, sustainable, and eco-friendly materials for the shoes, and has

obtained the ISCC certification.

- ii. The carbon capture and utilization technology (CCU) is adopted to develop lightweight, lightweight polyurethane (PU) shoe materials and textile coating layer, in order to improve the environmental protection effect.
- iii. The supercritical nitrogen foaming technology has been successfully applied to sole of sneakers/sports shoes and other lightweight applications.

B. Industrial sectors:

- i. Innovative small package moisture reactive heat-melting adhesive have been researched and developed, in order to improve the construction convenience.
- ii. The Company has successfully applied TPU raw materials in the injection molding of international brands' hand tools. In addition, relevant tests have been qualified and mass production has been implemented.
- iii. Thermoplastic Polyurethanes (TPU) film has been successfully developed, and has qualified the customer's tests and verifications for market feasibility.

C. Green materials:

- i. Obtaining of the ISCC certification and development of low-carbon footprint and sustainable polyurethane (PU) raw material.
- ii. Utilization of recycled PET to develop waterproof and moisture-permeable PU textile coating, in order to improve the environmental protection performance.
- iii. Development of moisture hardening hot-melt adhesive, in order to enhance the application value of recycled PET.
- iv. Release of benzene-free and acetone-free ink cartridges, and successful launch of such products to the market to improve green printing technology.
- v. Successful promotion of the technology of gloss lamination for wastewater-free light-curing papers, in order to achieve eco-friendly production.
- vi. Use of biomass materials to develop polyester polyol technology, in order to further reduce carbon footprint.
- vii. Development of MEKO-free end-sealed PU bridging agent, in order to improve the eco-friendliness of products.

D. High-value added materials:

- i. Successful mass production of special anti-yellowing bridging agent, and successful introduction of such product to the high-quality demand market.
- ii. Development of low-chroma and high-stability solder mask light-curing resin for PCBs, in order to head towards the development of electronic materials.

II. Summary of 2025 Business Plan

(I) Business Policies

- 1. In terms of core technology, we focus on polyurethane resins, functional acrylic monomers, oligomers, UV-curable resins, and the development and application of bridging agents and additives for coatings.

2. In terms of the application of products in the downstream industry, continuous attention should be paid to sports and leisure sectors, including the demand for functional materials in sports shoes, clothes, bags, equipment, outdoor activities, etc.; the Company plans to integrate upstream development and marketing with downstream development and marketing, and broaden cooperation with international brands; continue to expand the application of traditional woodware to 3C photoelectric coatings, the application of PU resin in construction, electronics and automotive-related industry to explore niche-type industries. For the promotion of the local industries in Taiwan, the Company has introduced the functional eco-friendly coating material of Jolypate series of products from Japan AICA, in order to enter the construction material market.
3. In the product development section, and in addition to functional requirements, we continue to develop green and environmentally friendly materials in line with modern trends. This includes one solvent-free liquid for textile coating lamination, two-component PU, thermoplastic PU, water-based PU, low-energy UV-curable acrylic resins, and so on, in hopes of contributing to a green Earth.
4. In response to the 2050 zero-net GHG target under the Paris Agreement, the Company focuses on development and promotion of recyclable, bio-based and sustainable and carbon-reduction products.
5. In terms of the integration of the Group's resources, the Company exercises the consolidated effect strategies among various subsidiaries to maximize the effect of production, marketing and research complementing each other, and also combines the strategies of AICA and other subsidiaries to deepen the consolidated effects, by reproducing the successful case in reactive hot melt adhesive to other products, e.g. co-development and marketing of the fields including industrial film materials.
6. The Company will continue to focus on the development in the Southeast Asia market, especially the shoes materials market in Vietnam and ink market in Thailand. In addition, the Company will also enhance the development and promotion in the Japanese and Korean markets.
7. We will strengthen the competitive advantage in the UV hardening coatings market and continue the investment in the production and sales of UV paper glazing coatings and functional oligomers, in order to further expand the Group's integration and synergy in UV and increase the Group's business scale.
8. In addition, development of the TPU market will be enhanced to increase production volume and maximize the market share.

(II) Expected Sales Volume and Its Basis

Unit: MT

Type of Products	PU resin	PE resin	Other products
Quantity	29,058	2,137	1,599

The above-mentioned expected quantities are based on the annual sales in 2024, in reference to the estimate of the overall economic situation for 2025.

(III) Significant Policies for Production and Sales

1. Continue to stabilize the quality of products, meet customer requirements, and

improve customer loyalty.

2. To quickly respond to the customer's demand for special specifications of products and capture the market as soon as possible.
3. To strengthen the development of new products and customers, and take the initiative to pay close attention to the market.
4. Improve the consolidated effect of the subsidiaries in various territories and also maximize the consolidated effect of AICA.

III. The Company's development strategies in the future will be influenced by the external competitive environment, regulatory environment and overall business environment:

(I) The Company's Development Strategies in the Future

- To strengthen the function of the Group: Set up the general manager's office, integrate the executive functions of the Group, and the operational affairs of each business unit, enhance the functional level of the Group, and integrate and make full use of internal resources to maximize the value of the consolidate effects produced by various subsidiaries.
- To enhance the ability of the dedicated teams to take charge: keep the group's finance, marketing, R&D and supply chain functioned as the group's management center, with each department focused on the operation and management of specific areas, so that they are responsible for their respective goals and strategies, and create profits.
- To continuously review and focus on core competencies: Carry out internal evaluation of the value and scalability of core competencies, and innovate products and sustain core capabilities by exerting the existing capabilities of marketing and R&D.
- To build a service-oriented business model: The key to the future business strategy of EVERMORE CHEMICAL is re-examining the characteristics of the existing industrial value chains with innovative thinking and vision, finding new niche, creating differentiated value, and developing the manufacture service-oriented corporate culture.
- Beginning with the end: Start with meeting the needs of the terminal industry and the market based on the core capabilities of precision chemistry and materials technology, and deeply explore and focus on the niche market. Looking ahead, we will focus on the overall solution in the year, by going beyond the original product application market, integrating the existing technologies of products with innovative thinking, providing customers with higher added value and developing innovative production process that complies with the major green trends of carbon reduction and low pollution in the future.
- To improve production technology, product quality, yield rate and other related production processes through the cooperation model of international subcontracting.
- To expand the fields of construction, optoelectronics, adhesives and film materials, etc. through the AICA cooperation platform to improve business performance and profitability.
- To actively expand the Southeast Asia and emerging markets, and the Northeast Asia characteristic product market.
- To continuously recruit and train outstanding talents to achieve medium- and long-term organizational goals.
- To develop new products with high added value and enhance internal core technologies

- based on industry trends and customer needs.
- Focus on development of green and eco-friendly products and also on the development and promotion based on the three main focuses of Recycle, Sustainability and CO₂ reduction.
- Deploy the organization functions of the Sustainability Center, and integrate the Group's resources to promote ESG works.

(II) Impact of the external competitive environment, regulatory environment and overall business environment, and countermeasures

The overall business environment, including international prosperity, regional political factors, crude oil prices, trade agreements, environmental regulations of each country and exchange rates, will have impact on the operation of the chemical industry. In terms of raw materials, with reference to the prices for crude oil and supply of raw materials in the market, we will purchase raw materials with competitive price advantage if appropriate to cut product costs; with respect to trade agreements, by taking into consideration of the status of each production base of the group, and with reference to the terms of the trade agreements for territories, we will take advantage of the Group's supply chain platform and adopt a more flexible marketing strategy; in response to the heightening environment protection awareness of each country driven by the environmental changes which limits the development of chemical industry, the Company gradually reduces its dependence on high-pollution energy, promotes lean production and strengthens the recycling of internal wastes, reduces waste emissions, and continues to develop environmentally friendly products in response to market development needs in the future; at the same time, in response to the changes in the business environment, we will overcome excessive dependence on a single market, and gradually strengthen the development of the Southeast Asian market.

Thank all of you for attending the shareholders' meeting today. Wish you good health and good luck!

Chairman: Ho Wen-Chieh

Managerial Officer: Huang Chang-Tze

Accounting Officer: Chen Hsiang-Li

Two. Corporate Governance Report

I. Director, president, vice presidents, assistant vice presidents, chiefs of all the Company's departments and branch units:

1. Information about directors (I)

March 31, 2025

Job title	Nationality or place of registration	Name	Gender/Age	Date of election (appointment)	Term of office	Date when first elected	Shares held at time of election		Number of shares held currently		Shares currently held by spouse or underage children		Shares held in the names of others		Major (Academic Degree) Experience	Concurrent positions in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads, directors or supervisors			Note (Note 1)
							Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares				Job title	Name	Relationship	
Chairman	R.O.C.	Ho Wen-Chieh	Male	June 27, 2024	3	April 24, 1989	7,003,532	7.05	7,003,532	7.05	1,905,657	1.92	0	0.00	Bachelor Jye Hwa Chemical Industrial Co., Ltd. Sales manager	The Company's Chairman Chairman of Board of Chem-Mat Technologies Co., Ltd. and Giant Star Trading Co., Ltd.	Nil	None.	None.	None.
			71-80																	
Director	R.O.C.	Huang Chng-Tzæ	Male	June 27, 2024	3	August 10, 2021	93	0.00	93	0.00	5,000	0.01	0	0.00	Master Research Fellow of ITRI Material & Chemical Research Laboratories; Deputy Assistant Vice President of Pou Chen Corporation	President of Evermore Chemical Industry Co., Ltd. Director of Chem-Mat Technologies Co., Ltd. Director of Giant Star Trading Co., Ltd.	None.	None.	None.	None.
			61-70																	
Corporate director	Japan	Aica Kogyo Company Limited	-	June 27, 2024	3	March 7, 2018	49,793,388	50.10	49,793,388	50.10	0	0.00	0	0.00	-	-	None.	None.	None.	None.
Representative of Aica Kogyo Company Limited	Japan	Nishino Go	Male	June 27, 2024	3	November 1, 2022	0	0.00	0	0.00	0	0.00	0	0.00	PhD Sales Department Manager, Aica Kogyo Company Limited	Sales Department Manager, Aica Kogyo Company Limited	None.	None.	None.	None.
			41-50																	
Representative of Aica Kogyo Company Limited	Japan	Omura Nobuyuki	Male	June 27, 2024	3	June 26, 2018	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor Mitsui & Co., Ltd.	Managing Director of Aica Kogyo Company Limited Chairman of Aica Asia Pacific Holding Pte. Ltd. Director of Nishi Tokyo Chemix Corporation	None.	None.	None.	None.
			51-60																	

Job title	Nationality or place of registration	Name	Gender/Age	Date of election (appointment)	Term of office	Date when first elected	Shares held at time of election		Number of shares held currently		Shares currently held by spouse or underage children		Shares held in the names of others		Major (Academic Degree) Experience	Concurrent positions in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads, directors or supervisors			Note (Note 1)
							Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares				Job title	Name	Relationship	
Representative of Aica Kogyo Company Limited	Japan	Mori Yosuke	Male	June 27, 2024	3	April 18, 2022	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor Finance Department Manager, Aica Kogyo Company Limited	General Manager of Finance, Aica Kogyo Company Limited; Supervisor of Nishi Tokyo Chemix Corporation, Altech Co., Ltd. and SOGO Service Co., Ltd.	None.	None.	None.	None.
			51-60																	
Corporate director	R.O.C.	Yue Dean Technology Corporation	-	June 27, 2024	3	August 10, 2021	1,786,760	1.80	1,786,760	1.80	0	0.00	0	0.00	-	-	None.	None.	None.	None.
Corporate Representative of Yue Dean Technology Corporation	R.O.C.	Yu-Chi Lee (Note 2)	Male	February 17, 2025	2.42	February 17, 2025	0	0.00	0	0.00	0	0.00	0	0.00	Master Deputy Assistant Director of Pou Chen Corporation	(Note 3)	None.	None.	None.	None.
			51-60																	
Independent director	Japan	Higashiyama Mikio	Male	June 27, 2024	3	June 26, 2018	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor Chairman of Board of Mitsui & Co. (Taiwan), Ltd., SME Advisor of Small & Medium Enterprises and Regional Innovation	None.	None.	None.	None.	None.
			61-70																	
Independent director	R.O.C.	Chen Wan-Yu	Female	June 27, 2024	3	June 27, 2024	0	0.00	0	0.00	0	0.00	0	0.00	Master Deputy Team Leader at Ernst & Young Taiwan, Senior Manager of Investment Banking Division at Yuanta Securities, and Certified Public Accountant at Yutang CPA Firm.	CPA, Yutang CPA Firm	None.	None.	None.	None.
			41-50																	
Independent director	R.O.C.	Su I-Hsiu	Male	June 27, 2024	3	March 7, 2018 (Note 4)	0	0.00	0	0.00	0	0.00	0	0.00	Master Investigation Officer of Investigation Bureau, Ministry of Justice, Prosecutor of Taiwan District Prosecutors Office, Attorney-at-Law of Kuroda Law Offices, Supervisor of Evermore Chemical Industry Co., Ltd.	Partner, Attorney-at-Law of Kuroda Law Office	None.	None.	None.	None.
			51-60																	

- Note 1: The company's chairman and general manager or equivalent (top manager) are the same person, or spouse or relative within one degree of kinship to the other. The reason, rationality, necessity and relevant information of the corresponding measures should be explained (e.g., the number of independent directors should be increased, more than half of the directors should not be concurrent employees or managers, etc.).
- Note 2: Former representative Chi-Chih Hung dismissed on January 22, 2025.
- Note 3: Serves as a director of Top Units Developments Limited, Active Creation Co., Ltd., Dah Chen Shoe Materials Ltd., Dah Sheng Vietnam Co., Ltd., Mega Sky International Limited, Time Swift Investments Limited, PT. DahSheng, Radiant Ally Holdings Limited, Radiant Lion Limited, Natural Options Ltd., and Just Lucky Investments Ltd.
- Note 4: Elected and assumed office as Supervisor on March 7, 2018 (by-election), re-elected and assumed office as Supervisor on June 26, 2018 (general election), stepped down on August 10, 2021, and was elected and assumed office as Independent Director on June 27, 2024 (general election).

Table 1: Major shareholders of corporate shareholders

March 31, 2025

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders	
	Name of Shareholder	Shareholding
Aica Kogyo Company Limited	1.The Master Trust Bank of Japan, Ltd. (Trust Account)	17.73%
	2.Custody Bank of Japan, Ltd. (Trust Account)	9.39%
	3.Business Connections Shareholding Association of Aica Kogyo Company, Ltd.	3.90%
	4.Employee Shareholding Association of Aica Kogyo Company, Ltd.	2.56%
	5.Custody Bank of Japan, Ltd. (Trust Account No.4)	2.41%
	6.STATE STREET BANK AND TRUST COMPANY 505001	2.24%
	7.SUMITOMO LIFE INSURANCE COMPANY	2.09%
	8.Dai Nippon Printing Co., Ltd.	2.05%
	9.J.P. Morgan Securities Japan Co., Ltd.	1.20%
	10.Toho Gas Co., Ltd.	1.17%
Yue Dean Technology Corporation	Great Pacific Investments Ltd.	100%

Table 2: Major shareholders of the major shareholder who is a juristic person referred to in Table 1

March 31, 2025

Name of Juristic Person	Major Shareholders of Juristic Person	
	Name of Shareholder	Shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	1.Mitsubishi UFJ Trust and Banking Corporation	46.5%
	2.Nippon Life Insurance Company	33.5%
	3.Meiji Yasuda Life Insurance Company	10.0%
	4.The Norinchukin Trust and Banking Co., Ltd.	10.0%
Custody Bank of Japan, Ltd. (Trust Account)	1.Sumitomo Mitsui Trust Holdings, Inc.	33.3%
	2.Mizuho Financial Group, Inc.	27.0%
	3.Resona Bank, Limited	16.7%
	4.The Dai-ichi Life Insurance Company, Limited	8.0%
	5.Asahi Mutual Life Insurance Company	5.0%
	6.Meiji Yasuda Life Insurance Company	4.5%
	7.Japan Post Insurance Co., Ltd.	3.5%
	8.Fukoku Mutual Life Insurance Company	2.0%

Name of Juristic Person	Major Shareholders of Juristic Person	
	Name of Shareholder	Shareholding
Business Connections Shareholding Association of Aica Kogyo Company, Ltd.	Cannot be accessed due to practical restrictions.	-
Employee Shareholding Association of Aica Kogyo Company, Ltd.	Cannot be accessed due to practical restrictions.	-
Custody Bank of Japan, Ltd. (Trust Account No.4)	Cannot be accessed due to practical restrictions.	-
STATE STREET BANK AND TRUST COMPANY 505001	Cannot be accessed due to practical restrictions.	-
SUMITOMO LIFE INSURANCE COMPANY	Cannot be accessed due to practical restrictions.	-
Dai Nippon Printing Co., Ltd.	1.The Master Trust Bank of Japan, Ltd. (Trust Account)	16.95%
	2.Custody Bank of Japan, Ltd. (Trust Account)	6.04%
	3.The Dai-ichi Life Insurance Company, Limited	3.22%
	4.Employee Shareholding Association of Dai Nippon Printing Co., Ltd.	2.94%
	5.Mizuho Bank, Ltd.	2.48%
	6.Nippon Life Insurance Company	2.06%
	7.State Street Bank West Client-Treaty 505234	1.95%
	8.State Street Bank And Trust Company 505001	1.46%
	9.JP MORGAN CHASE BANK 385781	1.34%
	10.State Street Bank And Trust Company 505103	1.25%
J.P. Morgan Securities Japan Co., Ltd.	J.P. Morgan International Finance Limited	100%
Toho Gas Co., Ltd.	1.The Master Trust Bank of Japan, Ltd. (Trust Account)	11.84%
	2.Nippon Life Insurance Company	5.23%
	3.Sumitomo Mitsui Banking Corporation	3.14%
	4.Custody Bank of Japan, Ltd. (Trust Account)	3.05%
	5.MUFG Bank, Ltd.	2.73%
	6.Toho Gas Group Employees Shareholding Association	2.14%
	7.Aya Nomura	2.06%
	8.The Dai-ichi Life Insurance Company, Limited	1.79%
	9.Meiji Yasuda Life Insurance Company	1.75%
	10.Toho Gas Kyoei Shareholding Association	1.49%
Great Pacific Investments Ltd.	Pou Hing Industrial Co., Ltd.	100%

Note: Said information was provided by the corporate shareholders. The Company made the disclosure based on such information only.

Information about directors (2)

I. Disclosure of information about directors' professional qualifications and independent directors' independence:

March 31, 2025

Qualifications Name	Professional Qualifications and Experience	Independence	Number of positions as an Independent Director in other public listed companies
Ho Wen-Chieh	<ol style="list-style-type: none"> the R.O.C. national; male; appointed for the first time in April 1989; the Company's current Chairman. Bachelor, Tamkang University Department of Chemistry; a former manager of JYE HWA CHEMICAL INDUSTRIAL CO., LTD.; the Company's founder, cultivating the chemical engineering industry for more than 40 years; experienced in the industry which the Company is engaged in, with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 	--	0
Huang Chng-Tze	<ol style="list-style-type: none"> the R.O.C. national; male; appointed for the first time in August 2021; the Company's current President. Master of Chemical Engineering, National Tsing Hua University; a former research fellow of ITRI Material & Chemical Research Laboratories, and former Deputy Assistant Vice President of Pou Chen Corporation; engaged in the chemical engineering industry for more than three decades and experienced in the industry which the Company is engaged in, with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 	--	0

<p>Aica Kogyo Company Limited Representative: Nishino Go</p>	<ol style="list-style-type: none"> 1. a Japanese national; male, appointed for the first time in November 2022; current Director of Business Department, Aica Kogyo Company, Limited. 2. Graduate from Architecture, Civil Engineering and Industrial Management Engineering of Nagoya Institute of Technology; entered Aica Kogyo Company Limited in 2004, responsible for development of multiple chemical products in the R&D Dept., development of functional materials in the Sales Dept., and engaged in development and sales for many years, with the experience necessary for the Company's business. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 	<p>--</p>	<p>0</p>
<p>Aica Kogyo Company Limited Representative: Omura Nobuyuki</p>	<ol style="list-style-type: none"> 1. a Japanese national; male, appointed for the first time in June 2018; current Managing Director of Aica Kogyo Company Limited. 2. Bachelor, The University of Tokyo Department of Economics; a former employee of Mitsui & Co., Ltd.; recruited by Aica Kogyo Company Limited in 2009, engaged in chemical engineering and construction materials industries for many years, with work experience in the area of commerce, law, finance or accounting, or otherwise necessary for the business of the Company. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 	<p>--</p>	<p>0</p>
<p>Aica Kogyo Company Limited Representative: Mori Yosuke</p>	<ol style="list-style-type: none"> 1. a Japanese national; male, appointed for the first time in April 2022; current General Manager of Finance, Aica Kogyo Company Limited. 2. 2Bachelor, Aichi Gakuin University Department of Economics: Recruited by Aica Kogyo Company Limited in 2015, assuming the positions including overall planning, board of directors management and general manager of finance, with work experience in the area of commerce, law, finance or accounting, or otherwise necessary for the business of the Company. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 	<p>--</p>	<p>0</p>

Yue Dean Technology Corporation Representative: Li, Yu-Chi	<ol style="list-style-type: none"> 1. R.O.C. national; male; appointed for the first time in February 2025; currently serves as Supervisor/Deputy Assist Vice President of Joint Venture Management Division, Global Supply Chain Management Center, Pou Chen Corporation 2. Master's Degree, Graduate Institute of Political Science, National Taiwan University, having worked in Pou Chen Corporation for many years and well experienced in the footwear industry, with literacy in the field of commerce, law, finance or accounting, or otherwise necessary for the business of the Company. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 	--	0
Higashiyama Mikio (Independent director)	<ol style="list-style-type: none"> 1. a Japanese national; male; appointed for the first time in June 2018. 2. Bachelor, Keio University Faculty of Business and Commerce; former Chairman and President of MITSUI & CO. (Taiwan), LTD., having served in MITSUI & CO. for more than 30 years, with work experience in the field of commerce, law, finance and accounting, or otherwise necessary for the business of the Company. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 	<p>He/she or his/her spouse or relative with the second degree of kinship:</p> <ol style="list-style-type: none"> 1. Is not a director, supervisor or employee of the Company or any of its affiliates; 2. Does not hold any of the Company's shares; 3. Is not a director, supervisor or employee of any company engaged in specific relationship with the Company; 4. Has not provided any commercial, legal, financial, accounting or other professional services to the Company or any of its affiliates in the most recent two years. 	0
Chen Wan-Yu (Independent director)	<ol style="list-style-type: none"> 1. 1. the R.O.C. national; female; appointed for the first time in June 2024. 2. 2. Master's degree from the Institute of Accounting, National Cheng Kung University; formerly served as Deputy Manager at Ernst & Young Certified Public Accountants and Professional Manager at Yuanta Securities Investment Banking Department. Currently a practicing CPA at Yu tung CPAs. With over ten years of experience in financial-related work, possesses extensive expertise in business, legal affairs, finance, accounting, and other areas relevant to corporate operations 3. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 	<p>He/she or his/her spouse or relative with the second degree of kinship:</p> <ol style="list-style-type: none"> 1. Is not a director, supervisor or employee of the Company or any of its affiliates; 2. Does not hold any of the Company's shares; 3. Is not a director, supervisor or employee of any company engaged in specific relationship with the Company; 4. Has not provided any commercial, legal, financial, accounting or other professional services to the Company or any of its affiliates in the most recent two years. 	1

Su Yi Hsiu (Independent director)	<ol style="list-style-type: none"> 1. the R.O.C. national; male; appointed for the first time in June 2024; current partner attorney-at-law of Kuroda Law Office 2. Master's Degree in Criminal Law, Graduate Institute of Law, National Taiwan University; formerly served as Investigator at the Ministry of Justice and Prosecutor at the Banqiao District Prosecutors Office; previously Supervisor of Evermore Chemical Industry Co., Ltd.; currently a lawyer and partner at Kuroda Law Offices (Japan), with extensive experience in legal affairs and corporate operations. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 	He/she or his/her spouse or relative with the second degree of kinship: <ol style="list-style-type: none"> 1. Is not a director, supervisor or employee of the Company or any of its affiliates; 2. Does not hold any of the Company's shares; 3. Is not a director, supervisor or employee of any company engaged in specific relationship with the Company; 4. Has not provided any commercial, legal, financial, accounting or other professional services to the Company or any of its affiliates in the most recent two years. 	0
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II. Diversity and independence of the Board of Directors:

(I) Diversity of the Board of Directors:

1. According to the Company's "Corporate Governance Best Practice Principles," the Board of Directors shall direct the Company's business strategies, supervise the management, exercise its powers pursuant to laws, and be responsible to the Company and shareholders. In consideration of said job duties, the composition of the Board members shall take into account the aspects including the Company's operational framework, business development orientation and future development trends. Diversified consideration shall be given to the gender, nationality, age, culture, professional knowledge and skills (e.g. law, accounting, industry, finance, marketing or technology) and industrial experience of the directors.
 2. The Company's development strategies focus on the products per se and development of technology. The business development must be supported by the professional knowledge, skills and experience covering leadership and management, industrial experience, R&D and innovation, finance and law. Generally, the Board members shall hold these abilities, and at least one director shall be specialized in one specific profession or background.
 3. In accordance with diversity considerations, all of the Company's directors have many years of experience working in multinational companies and related industries in Taiwan and Japan. They possess relevant industry expertise and the capability to perform their duties effectively. The Company also plans to increase the number of female board members to align with its board diversity policy.
- (1) The specific goals for the diversity of the Company's director re-election in 2024 and their achievements are as follows:

Diversity guidelines	Concrete management programs:	Status of Achievement	Improvement measures or actions to be taken
Professional background	At least one person in each of business, legal affairs, finance and accounting, and chemical engineering	4 in commercial 1 in legal affairs, 2 in finance and accounting, and 3 in chemical engineering	N/A.
Ability to execute business	At least 1 person in leadership and management, industry experience, R&D innovation, financial analysis, and legal practice	7 with leadership and management, 9 with industry experience, 3 with R&D and innovation, 7 with financial analysis, and 1 with legal practice.	N/A.
Gender	At least one-third of the seats on the Board of Directors are held by directors of either gender.	The number of male directors on the Board has reached one-third of the total seats, while the number of female directors has not yet reached one-third.	Reason: The majority of nominated directors were male, resulting in the number of female directors not reaching one-third. Action to be taken: During the board re-election, promote the nomination of more female director candidates to the nominators.
Independence	The number of independent directors shall not be less than one-third of the total number of directors, and an independent director shall not serve more than three consecutive terms	Independent directors accounted for one-third of all directors, and no independent director has served three consecutive terms, which was in line with the target	N/A.

(2) Gender, age, professional background and business execution ability of directors:

Name	Gender	Nationality	Age (Note 1)	Serving as an employee	Professional background				Ability to execute business				
					Commerce	Law	Finance & accounting	Chemical engineering	Leadership and management	Industrial experience	R&D and innovation	Analysis of finance and accounting	Law and practice
Ho Wen-Chieh	Male	R.O.C.	5	✓				✓	✓	✓	✓	✓	
Huang Chng-Tze	Male	R.O.C.	3	✓				✓	✓	✓	✓	✓	
Nishino Go	Male	Japan	1	-				✓	✓	✓	✓		
Omura Nobuyuki	Male	Japan	2	-	✓				✓	✓		✓	
Mori Yosuke	Male	Japan	2	-	✓		✓		✓	✓		✓	
Yu-Chi Lee	Male	R.O.C.	2	-	✓				✓	✓		✓	
Higashiyama Mikio	Male	Japan	3	-	✓				✓	✓		✓	
Chen Wan-Yu	Female	R.O.C.	1	-			✓			✓		✓	
Su Yi Hsiu	Male	R.O.C.	2	-		✓				✓			✓

Note 1: 1 (41~50 years old); 2 (51~60 years old); 3 (61~70 years old); 5 (71~80 years old)

(II) Independence of the Board of Directors:

The Company has a total of 9 directors, without appointing any supervisor, including 3 independent directors, i.e. 33.33% of the whole directors. None of the directors is a spouse or relative within the second degree of kinship with each other. No violation of Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act has been found. Therefore, the Board of Directors is considered functioning well independently.

2. Information about president, vice presidents, assistant vice presidents, chiefs of all the Company's departments and branch units:

March 31, 2025

Job title	Nationality	Name	Gender	Date of election (appointment)	Shares held		Shares currently held by spouse or underage children		Shares held in the names of others		Major (Academic Degree) Experience	Concurrent positions in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks (Note 1)
					Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Job title	Name	Relationship	
President	R.O.C.	Huang Chng-Tze	Male	July 1, 2016	93	0.00	5,000	0.01	0	0.00	Master Research Fellow of ITRI Material & Chemical Research Laboratories; Deputy Assistant Vice President of Pou Chen Corporation	Director of Chem-Mat Technologies Co., Ltd. Director of Giant Star Trading Co., Ltd.	None.	None.	None.	None.
Group Vice President	R.O.C.	Lee Ching-Song	Male	April 1, 2019	0	0.00	0	0.00	0	0.00	Bachelor Evermore Chemical Industry Co, Ltd Sales Office Supervisor	None.	None.	None.	None.	None.
Business Department Assistant Vice President	R.O.C.	Wang Shih-Chieh	Male	April 1, 2019	0	0.00	3,040	0.00	0	0.00	PhD Evermore Chemical Industry Co, Ltd Head of Research & Development	None.	None.	None.	None.	None.
Administration Department Assistant Vice President	R.O.C.	Wu Pao-Hua	Male	December 1, 2017	25,000	0.03	0	0.00	0	0.00	Bachelor Evermore Chemical Industry Co, Ltd Head of Administration	Supervisor of Giant Star Trading Co., Ltd.	None.	None.	None.	None.
Manager, R&D Department	R.O.C.	Pin-Chung Chen	Male	November 10, 2023	0	0.00	0	0.00	0	0.00	Master Evermore Chemical Industry Co, Ltd Head of Research & Development	None.	None.	None.	None.	None.

Note 1: When the general manager or equivalent (top manager) and the chairman are the same person, are spouses or relatives, etc., then the reason, rationality, necessity and relevant information of the corresponding measures should be disclosed (e.g., the number of independent directors should be increased, more than half of the directors should not be not concurrent employees or managers, etc.).

II. Remuneration to directors, supervisors, president and vice presidents of the Company in the most recent year

1. Remuneration to directors (including independent directors)

December 31, 2024

Unit: NT\$

1. Remuneration to directors (including independent directors)																							
Job title	Name	Remuneration of directors						Sum of A, B, C, and D as percentage of income after tax		Remuneration from concurrently servings as employees						Sum of A, B, C, D, E, F and G as percentage of income after tax		Remuneration from investees other than subsidiaries					
		Remuneration (A)		Pension upon retirement (B)		Remuneration to directors (C)				Professional practice expenses (D)		Wages, bonuses, and special allowances, etc. (E)		Pension upon retirement (F)					Remuneration to employees (G)				
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements						
Chairman	Ho Wen-Chieh	0	0	0	0	2,587,444	2,587,444	3,030,000	3,040,000	5,617,444/ 5.8264%	5,627,444/ 5.8368%	5,795,590	5,795,590	0	0	300,848	0	300,848	0	11,713,882/12.1497%	11,723,882/12.1601%	0	
Director	Huang Chang-Tze																						
Director	Aica Kogyo Company Limited																						
	Representative: Nishino Go																						
	Representative: Omura Nobuyuki																						
Director	Representative: Mori Yosuke																						
	Yue Dean Technology Corporation																						
	Representative: Hung Chi-Chih (Note 1)																						
	Representative: Shih Chih-Hung (Note 2)																						
Independent Director	Higashiyama Mikio																						
Independent Director	Chen Wan-Yu (Note 1)																						
Independent Director	Su I-Hsiu (Note 1)																						
Independent Director	Chen Chun-Cheng (Note 2)																						
Independent Director	Chueh Liang-Wu (Note 2)																						
1. Regarding independent directors' remuneration payment policies, systems, standards and structure, and in accordance with their responsibilities, risks, time invested and other factors, describe the relevance to the amount of remuneration: Independent directors of the Company bear the same responsibilities and risks as ordinary directors. According to the Company's "Regulations Governing Remuneration to and Performance Evaluation on Directors and Functional Committee Members," the remuneration is divided into fixed amounts and the amount allocated according to the Articles of Association is distributed subject to the degree of contribution. The part allocated according to degree of contribution is calculated based on the ratio of the number of board attendances by the independent director to the number of attendances by all independent directors.																							
2. In addition to the disclosure above, in the most recent year, the directors of the company have received remuneration for providing services to all companies in the financial report (for example, as a consultant who is not an employee): None.																							
3. Proposed employee compensation amount.																							

Note 1: Assumed the position after the election dated June 27, 2024

Note 2: Released from the position after the election dated June 27, 2024.

Breakdown of Remuneration

Breakdown of remuneration paid to directors of the Company	Name of Director			
	A+B+C+D		A+B+C+D+E+F+G	
	The Company	Companies included into the financial statement H	The Company	Companies included into the financial statement I
Less than NT\$1,000,000	Ho Wen-Chieh, Huang Chng-Tze, Yue Dean Technology Corporation, Shih Chih-Hung, Chi-Chih Hung, Aica Kogyo Company Limited; Nishino Go, Omura Nobuyuki, Mori Yosuke, Mikio Higashiyama, Chen Chun-Cheng, Chueh Liang-Wu, Chen Wan-Yu, Su I-Hsiu	Ho Wen-Chieh, Huang Chng-Tze, Yue Dean Technology Corporation, Shih Chih-Hung, Chi-Chih Hung, Aica Kogyo Company Limited; Nishino Go, Omura Nobuyuki, Mori Yosuke, Mikio Higashiyama, Chen Chun-Cheng, Chueh Liang-Wu, Chen Wan-Yu, Su I-Hsiu	Yue Dean Technology Corporation, Shih Chih-Hung, Chi-Chih Hung, Aica Kogyo Company Limited; Nishino Go, Omura Nobuyuki, Mori Yosuke, Mikio Higashiyama, Chen Chun-Cheng, Chueh Liang-Wu, Chen Wan-Yu, Su I-Hsiu	Yue Dean Technology Corporation, Shih Chih-Hung, Chi-Chih Hung, Aica Kogyo Company Limited; Nishino Go, Omura Nobuyuki, Mori Yosuke, Mikio Higashiyama, Chen Chun-Cheng, Chueh Liang-Wu, Chen Wan-Yu, Su I-Hsiu
1,000,000 (inclusive) - 2,000,000 (exclusive)				
2,000,000 (inclusive) - 3,500,000 (exclusive)				
3,500,000 (inclusive) - 5,000,000 (exclusive)			Ho Wen-Chieh, Huang Chng-Tze	Ho Wen-Chieh, Huang Chng-Tze
5,000,000 (inclusive)~10,000,000 (exclusive)				
10,000,000 (inclusive)~15,000,000 (exclusive)				
15,000,000 (inclusive)~30,000,000 (exclusive)				
30,000,000 (inclusive)~50,000,000 (exclusive)				
50,000,000 (inclusive)~100,000,000 (exclusive)				
More than 100,000,000				
Total	14	14	14	14

2. Remuneration to supervisors: N/A.

3. Remuneration to president and vice presidents

December 31, 2024												Unit: NT\$		
Job title	Name	Salary (A)		Pension upon retirement (B)		Bonuses, special expenses, and others (C)		Remuneration to employees (D)				Sum of A, B, C, and D as percentage of income after tax		Remuneration from investees other than subsidiaries
		The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company		Companies included into the financial statement		The Company	Companies included into the financial statement	
								Cash	Stock	Cash	Stock			
President	Huang Chng-Tze	3,726,960	3,726,960	0	0	1,798,954	1,798,954	291,364	0	291,364	0	5,817,278 6.0337%	5,817,278 6.0337%	0
Group Vice President	Lee Ching-Song													

Note: 1. If the director holds the position as the president or vice president concurrently, the remuneration to him/her shall be disclosed in this Table and the table for remuneration to directors (including independent directors).

2. Proposed employee compensation amount.

Breakdown of Remuneration

Breakdown of remuneration paid to president and vice presidents of the Company	Name of President/Vice President	
	The Company	Companies included into the financial statement
Less than NT\$1,000,000		
1,000,000 (inclusive) - 2,000,000 (exclusive)		
2,000,000 (inclusive) - 3,500,000 (exclusive)	Huang Chng-Tze, Lee Ching-Song	Huang Chng-Tze, Lee Ching-Song
3,500,000 (inclusive) - 5,000,000 (exclusive)		
5,000,000 (inclusive)~10,000,000 (exclusive)		
10,000,000 (inclusive)~15,000,000 (exclusive)		
15,000,000 (inclusive)~30,000,000 (exclusive)		
30,000,000 (inclusive)~50,000,000 (exclusive)		
50,000,000 (inclusive)~100,000,000 (exclusive)		
More than 100,000,000		
Total	2	2

4. Names of managerial officers entitled to employee remuneration and amount entitled:

December 31, 2024						Unit: NTD
	Job title	Name	Amount of shares (proposed)	Cash amount (proposed)	Total	As percentage of income after tax (%)
Managerial officers	President	Huang Chng-Tze	0	628,456	628,456	0.6518%
	Group Vice President	Lee Ching-Song				
	Assistant	Wang Shih-Chieh				
	Financial	Wu Pao-Hua				
	Manager	Pin-Chung Chen				
	Accounting	Chen Hsiang-Li				

5. Amount of compensation paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, president, and vice presidents, and the respective proportion of such compensation to the income after tax referred to in the entity or separate financial statements, as well as the policies, standards, and packages by which it was paid, the procedures through which the compensation was determined, and its association with business performance and future risks.

(1) Analysis on the proportion of amount of compensation paid to the Company's directors, supervisors, president, and vice presidents to the income after tax referred to in the parent company only or individual financial statements:

A. Analysis on the proportion of amount of compensation paid to the Company's directors, supervisors, president, and vice presidents to the income after tax referred to in the entity or separate financial statements:

Job title \ Item	2024		2023	
	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement
Director	12.15%	12.16%	13.80%	13.81%
Supervisor	N/A.	N/A.	N/A.	N/A.
President and Vice President	6.03%	6.03%	6.78%	6.78%

B. The Company's remuneration to directors for the latest two years consists of fixed amount and remuneration to directors equivalent to 2% of the income before deduction of the remuneration. Analyzing by amounts, the amount for 2024 increased from 2023, mainly due to the increase in directors' remuneration was mainly due to better profitability in 2024 compared to 2023. The percentage of 2024 remuneration to the income after tax in the parent company only or consolidated financial statements is lower than that for 2023, primarily as a

result of the net profit before tax in 2024 higher than that in 2023.

- C. The remuneration for the President and Vice Presidents in 2024 was slightly higher than in 2023. In addition to fixed salaries, bonuses and employee compensation increased modestly due to improved profitability in 2024. However, the proportion of their remuneration to net income after tax was lower in 2024 compared to 2023, primarily because pre-tax profit in 2024 was higher, leading to a relatively lower ratio.
- (2) Policies, standards, and packages by which the compensation was paid, the procedures through which the compensation was determined, and its association with business performance and future risks:
 - A. The policies, standards, and packages by which the compensation was paid to directors/supervisors are decided in accordance with the Company's "Regulations Governing Remuneration to and Performance Evaluation on Directors and Functional Committee Members." For the time being, the compensation consists of monthly fixed transportation allowances, and the remuneration equivalent to 2% of the income before deduction of the remuneration according to the articles of incorporation. Where the director assumes the role of employee concurrently, the method by which remuneration to managers is evaluated shall apply separately. The directors' performance evaluation indicators consist of business, governance and financial results. The evaluation covers profitability, compliance with laws when exercising the Board of Directors' powers loyally, provision of fine-quality decision making suggestions and participation in the Board of Directors. Relevant performance evaluation and reasonableness of remuneration have been reviewed and approved by Remuneration Committee and Board of Directors.
 - B. The salaries of President and Vice President are governed by the Company's Regulations Governing Salary Management, consisting of fixed and variable amount. The variable amount refers to the bonus allocated subject to the annual business results and the remuneration equivalent to 5% of the income before deduction of the remuneration according to the articles of incorporation. The variable salary is paid according to the Regulations Governing Salary Management. The performance evaluation covers achievement of annual budget, department performance and personal performance, work skill performance, operations management and strategic development. The variable salary and remuneration shall be reported to the Board of Directors for approval upon review by the Remuneration Committee.

III. Status of corporate governance

(I) Operations of Board of Directors

1. Information on the operation of the Board of Directors

The Board held 6 (A) meetings in 2024. The attendance of directors/supervisors is summarized as follows:

Job title	Name	Count of actual presence (in attendance) (B)	Count of presence by proxy	Actual presence (in attendance) rate (%) 【B/A】	Remark
Chairman	Ho Wen-Chieh	6	0	100%	Re-elected on June 27, 2024
Director	Huang Chng-Tze	6	0	100%	Re-elected on June 27, 2024
Corporate director (Representative of Aica Kogyo Company Limited)	Omura Nobuyuki	6	0	100%	Re-elected on June 27, 2024
Corporate director (Representative of Aica Kogyo Company Limited)	Mori Yosuke	6	0	100%	Re-elected on June 27, 2024
Corporate director (Representative of Aica Kogyo Company Limited)	Nishino Go	6	0	100%	Re-elected on June 27, 2024
Corporate director (Representative of Yue Dean Technology Corporation)	Shih Chih-Hung	3	0	100%	Discharged on June 27, 2024
Corporate director (Representative of Yue Dean Technology Corporation)	Chi-Chih Hung	3	0	100%	Elected on June 27, 2024
Independent director	Higashiyama Mikio	6	0	100%	Re-elected on June 27, 2024
Independent director	Chueh Liang-Wu	3	0	100%	Discharged on June 27, 2024
Independent director	Chen Chun-Cheng	3	0	100%	Discharged on June 27, 2024
Independent director	Chen Wan-Yu	3	0	100%	Elected on June 27, 2024
Independent director	Su Yi Hsiu	3	0	100%	Elected on June 27, 2024

Other items to be stated:

- I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors and the Company's resolution of said opinions:

1. The circumstances referred to in Article 14-3 of the Securities and Exchange Act:
The Company has established the Audit Committee, and thus Article 14-3 of the Securities and Exchange Act is not applicable. Regarding the operation of the Audit Committee in accordance with Article 14-5 of the Securities and Exchange Act, please refer to other matters required to be recorded in the Operation of the Audit Committee.
2. Any documented objections or qualified opinions raised by independent director against the Board's resolutions in relation to matters other than those described above: None.

II. Status of directors' recusal due to a conflict of interest:

1. If topics of a Board of Directors meeting involves proposals in which directors have an interest, such directors with associated interests should recuse themselves from discussion of the proposal.
Motion for allocation of 2023 year-end bonus to managerial officers discussed by the Board of Directors on January 30, 2024
Motion for 2023 distribution of earnings to directors discussed by the Board of Directors on August 9, 2024
Motion for 2023 distribution of remuneration to employees discussed by the Board of Directors on August 9, 2024.
2. No discussion about specific remuneration to individual stakeholders was done at said meetings; therefore, no individual stakeholder needed to recuse himself/herself.

III. Information on the evaluation cycle and period, assessment scope, method and evaluation content of the Board's self (or peer) evaluation of TWSE/TPEX-Listed Companies

1. Evaluation of the implementation of the board of directors:

Evaluation cycle	Assessment period	Dated proposed to	Assessment scope	Evaluation method	Evaluation content
Implemented once in three years	2024.1.1~2024.12.31	2025.1.23	the Board	The Company has commissioned an external performance evaluation unit (Taiwan Investor Relations Institute) to conduct the evaluation.	1. Composition and Professional Development of the Board of Directors; 2. Quality of the Board of Directors' decision making; 3. Effectiveness of board operations; 4. Internal control and risk management; 5. Degree of board participation in corporate social responsibility.
Implemented once per year	2024.1.1~2024.12.31	2025.3.11	the Board	All directors - Board of Directors Performance Self-Assessment Questionnaire	1. Degree of participation in the Company's operation; 2. Quality of the Board of Directors' decision making; 3. Composition and structure of the Board of Directors; 4. Election and continuing education of directors; 5. Internal control.
Implemented once per year	2024.1.1~2024.12.31	2025.3.11	Individual directors	Board members - Board Members Performance (Self or Peer) Assessment Questionnaire	1. Alignment with the Company's goals and mission; 2. Awareness toward directors' responsibilities and duties; 3. Degree of participation in the Company's operation; 4. Management of internal relations and communication; 5. Expertise and continuing education of directors; 6. Internal control.

Implemented once per year	2024.1.1~2024.12.31	2025.3.11	Remuneration Committee	Member - Functional Committee Performance Self-Assessment Questionnaire	1. Degree of participation in the Company's operation; 2. Awareness toward functional committees' responsibilities and duties; 3. Upgrading the quality of functional committees' decision making; 4. Composition of functional committees and election of the committee members; 5. Internal control.
Implemented once per year	2024.1.1~2024.12.31	2025.3.11	Audit Committee	Member - Functional Committee Performance Self-Assessment Questionnaire	1. Degree of participation in the Company's operation; 2. Awareness toward functional committees' responsibilities and duties; 3. Upgrading the quality of functional committees' decision making; 4. Composition of functional committees and election of the committee members; 5. Internal control.

2. Assessment Outcome:

(1) External evaluation:

- A. Execution Date: The evaluation period was from January 1 to December 31, 2024; an external professional organization conducted interviews on December 24, 2024, and issued the evaluation report on January 6, 2025; the Company submitted the report to the Board of Directors on January 23, 2024.
- B. Name of external professional organization: Taiwan Investor Relations Institute. The Taiwan Investor Relations Association is a non-profit organization composed of professional investor relations managers from listed and OTC companies in Taiwan. It is dedicated to advancing investor relations practices in Taiwan and strengthening alignment with domestic and international capital markets to enhance corporate value and support business growth. The evaluation committee for this assessment consisted of the association's Chairman Tsung-Lin Kuo, Board Director Chen-Ching Chang, and Shih-Hao Wang, Partner at Chien Yeh Law Offices.
- C. Independence: The Company confirms that there are no circumstances affecting the independence of the institution and the evaluation committee members, and the committee members have provided signed declarations of independence.
- D. Evaluation Method: The evaluation process included document submission by the Company, a self-assessment questionnaire, and on-site interviews conducted by the external professional institution. The Company provided the questionnaire and relevant materials on December 9, 2024, and the Association conducted an online interview on December 24, 2024.
- E. Evaluation standards (item and content)
 - a. Composition and Professional Development of the Board of Directors: Including board structure, board diversity, director training status, and director development plans.
 - b. Quality of the Board of Directors' decision making: Including the completeness and timeliness of information required for board

decisions, the level of directors' participation in meetings, and the frequency and time allocation of board meetings.

c. Effectiveness of board operations:

Including internal relationship management and communication, the level of directors' participation in and understanding of company operations, and the communication between the board and the auditors.

d. Internal control and risk management:

Including the board's management of operational risks, the formulation and implementation of internal company regulations, supervision of the effectiveness of the company's internal control systems, and the accessibility of internal and external whistleblowing channels.

e. Degree of board participation in corporate social responsibility:

Including the board's level of attention to ESG, the company's communication channels with external shareholders or stakeholders, the company's participation and investment in ESG initiatives, and the implementation of governance mechanisms.

F. Summary of Evaluation Results: According to the summary of the external institution's assessment report, the company's board of directors holds meetings regularly, with all board members actively participating and maintaining a high overall attendance rate. Directors also continue their professional development to stay current with the latest knowledge. The responsibilities of the chairman and the general manager are clearly defined, the board structure is sound, and board members are diverse in terms of professional backgrounds, gender, and fields of expertise, enabling them to effectively fulfill their supervisory responsibilities and duties.

Improvement Suggestion 1: Plan ahead to ensure that female board members account for one-third of the board seats.

Future Improvement Plan or Action: Communicate the direction of gender diversity in board composition through appropriate channels; during board member re-elections, encourage nominators to increase the number of female board candidates.

Improvement Suggestion 2: It is recommended that a single corporate entity and its subsidiaries hold less than one-third of the board seats.

Future Improvement Plan or Action: Strengthen communication with major shareholders to reduce the number of representative seats when nominating board candidates.

Improvement Recommendation 3: Disclose the policy linking senior management compensation with ESG-related performance evaluations.

Future Improvement Plan or Action: The Human Resources Department will refer to the Sustainability Policy developed by the Sustainability Center to formulate a policy linking senior management compensation with ESG-related performance evaluations. This policy will be submitted to the Sustainability Committee and the Board of Directors for discussion and subsequently disclosed on the company's website, annual report, or sustainability report.

Improvement Recommendation 4: Plan and establish concrete measures to enhance corporate value and report them to the Board of Directors.

Future Improvement Plan or Action: The Office of the President will formulate a corporate value enhancement plan, which will be submitted to the Board of Directors and disclosed on the Market Observation Post System (MOPS).

Improvement Recommendation 5: Actively promote governance in environmental and social aspects

Future Improvement Plan or Action: The Company will, based on its industry characteristics and capabilities, and with reference to the “ESG Governance Evaluation Indicators,” enhance governance actions related to environmental and social aspects.

(2). Self-evaluation of the Board (or peer):

A. In 2024, self-evaluations were conducted for the overall Board of Directors, individual board members, and functional committees. All board members completed the “Board Performance Self-Assessment Questionnaire” and the “Board Member (Self or Peer) Assessment Questionnaire,” while members of the functional committees completed the “Functional Committee Performance Self-Assessment Questionnaire” as part of the internal performance evaluation process. The results of the evaluation were reported to the Board of Directors on March 11, 2025.

B. Internal self-evaluation results of the Board of Directors for 2024: (Very Poor, Poor, Fair, Good, Excellent)

(1) Summarization of the Board of Directors performance self-assessment results: Good.

(2) Summarization of the Board members performance self-assessment results: Good.

(3) Summarization of the Remuneration Committee members performance self-assessment results: Good.

(4) Summarization of the Audit Committee members performance self-assessment results: Good.

C. Improvement item:

In the previous evaluation, the score for continuing education was relatively low; however, this has since been improved.

In the current evaluation, the score for establishing a rigorous and transparent director selection process and succession plan was relatively low; improvements will be continuously arranged going forward.

D. The evaluation results will be used as a reference for individual directors' remuneration and nomination renewal.

IV. An evaluation of targets for strengthening of the functions of the Board during the current and the most recent years, and measures taken toward achievement thereof:

1. The Company established its own “Regulations Governing Procedure for Board of Directors Meetings” in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies.” Meanwhile, the Company operates its Board of Directors in accordance with related laws and the competent authority’s written interpretation, to keep the Board of Directors operate in line with the corporate governance regulations and the target for effective supervision of the Company’s operations.

2. In order to well found the Company's corporate governance and strengthen the functions of the Board, two independent directors were assigned to participate in the operations of the Board. In 2024, the independent directors were present at each of the Board meetings in person to participate in the decision making about the Company's finance, business and important business plan.
3. The Company had the Board of Directors approve the appointment of the chief corporate governance officer on June 29, 2021, in order to help the Board of Directors perform its job duties and improve the Board of Directors' performance.
4. The Company established the Sustainable Development Committee and the Risk Management Committee in November 2024 to strengthen the Company's risk management and implement the sustainable development policy.

V. The succession plan and the board members and key management personnel, and operation status thereof:

1. Board members:

- (1) The Company's Articles of Incorporation expressly specify that the candidate nomination system is adopted for the election of directors, and clearly stipulates in the "Corporate Governance Best Practice Principles" that the composition of the Board of Directors shall take diversity into consideration. The diversity guidelines are formulated regarding the Company's operating structures, business development directions, future development trends, including but not limited to aspects of the basic requirements and values, professional knowledge and skills, and the ability to execute the business, as the criteria for the director successors.
- (2) The Company has also established the "Regulations Governing the Remuneration and Performance Evaluation of Directors and Functional Committee Members." The measurement items under the performance evaluation include the control of the Company's goals and tasks, awareness of responsibilities, participation in operations, management of internal relations and communication, professional functions and continuing education, internal control, and expression of specific opinions, among other things, to confirm the effectiveness of the Board of Directors' operation, and evaluate the performance of the directors, as a reference for the succession of directors.
- (3) The Company not only collects director candidates who meet the Company's diversity policy qualifications through its network, but also searches for suitable director candidates through the independent director talent database.
- (4) The Company follows the aforementioned director succession plan, for each re-election of directors, the Company selects the candidates compliant with the Company's core values, with the professional knowledge and skills beneficial to the Company's operation and management, and are compatible with the Company's and relevant industry experience. It is expected that the addition of such member will form an effective, complementary and diverse board of directors meeting the Company's needs for the Company.
- (5) The selection process of the Company's director candidate list complies with the qualification review and related regulations, to ensure that suitable new directors can be effectively identified and elected for re-election, vacancies or plans to increase directors.

2. Key management:

- (1) The Company establishes an organizational chart based on operational objectives and submits it to the Board for approval, and appoints deputies in accordance with the "Regulations Governing Deputy Management." The key positions are passed on through the deputy mechanism to ensure the normal operation of the organization.
- (2) Arrange orientation, legal, core function, professional, ISO and management trainings by accommodating operational goals and manpower requirements derived from business

development in accordance with education and training management procedures, to improve knowledge, attitude and skills of employees required for work; The quality of manpower is enhanced to ensure production efficiency and work quality, improve corporate profitability and brand image, and increase the Company's competitiveness.

- (3) In accordance with the systematic training system, the Company enhances the effectiveness of the training system, and improves the quality of manpower for the better competitiveness of the Company. In 2024, the total training hours reached 3,375 hours, and each employee received 16.96 hours of training in average.

2. Chief corporate governance officer:

(1) Date of establishment:

The Company's Board of Directors approved the establishment of a Corporate Governance Officer on June 29, 2021.

(2) Job authority:

- A. Convention of board meetings and shareholders' meetings under laws;
- B. Preparation of board meeting and shareholders' meeting minutes;
- C. Helping directors with assumption of office and continuing education;
- D. Providing directors with the information needed to perform their duties;
- E. Helping directors comply with laws;
- F. Any other matters defined by the Articles of Incorporation or contract.

(3) Information about the chief corporate governance officer:

Name	Gender	Date of onboard	Concurrent job
Wu Pao-Hua	Male	June 29, 2021	Served by the Financial Manager concurrently

(4) Continuing education status in 2024:

The chief corporate governance officer was appointed for the first time in June 2021. According to the relevant requirements, he shall attend the continuing education courses for 12 every year. His continuing education status in 2024 is specified as following.

Organizer	Name of Course	Course Hours
Taiwan Stock Exchange, BCSD Taiwan	CDP SME Questionnaire Advocacy Course	6
Securities & Futures Institute	Seminar for Sustainable Disclosure	9
Securities & Futures Institute	2024 Insider Trading Prevention Presentation Conference	3

(II) Operation of the Audit Committee

1. The Company established the Audit Committee on August 10, 2021. The Committee performs its job duties in accordance with the Articles of Association for Audit Committee.

Information about operations of Remuneration Committee

The Audit Committee held 5 (A) meetings in 2024. The attendance of independent directors and the operation are summarized as follows:

Job title	Name	Count of actual presence (B)	Count of presence by proxy	Actual in presence rate (%) 【B/A】	Remark
Independent director	Chen Chun-Cheng	2	0	100%	Discharged on June 27, 2024
Independent director	Chueh Liang-Wu	2	0	100%	Discharged on June 27, 2024
Independent director	Higashiyama Mikio	5	0	100%	Re-elected on June 27, 2024
Independent director	Chen Wan-Yu	3	0	100%	Elected on June 27, 2024
Independent director	Su Yi Hsiu	3	0	100%	Elected on June 27, 2024

Other items to be stated:

I. For the Audit Committee meetings that meet any of the following descriptions, state the date, session, contents of motions, independent directors' dissenting opinions, qualified opinions or important suggestions, Audit Committee meeting resolution, and how the Company has responded to the Audit Committee's opinions.

1. The circumstances referred to in Article 14-5 of the Securities and Exchange Act:

Date of Audit Committee Meeting	Term	Contents of Motion	Independent Directors' Dissenting Opinions, Qualified Opinions or Important Suggestions	Audit Committee Meeting Resolution	How the Company Has Responded to the Audit Committee's opinions
2024/03/12	2024 2nd	1. Review on 2023 parent company only financial statements and consolidated financial statements. 2. Making of endorsements/guarantees for Dongguan Pou Chien Chemical Co., Ltd. 3. Loaning to TOP WELL ELASTIC TECHNOLOGY CO.,LTD..	None.	No objection. Passed unanimously.	N/A.
2024/08/09	2024 5th	1. Review on 2024 Q2 consolidated financial statements.	None.	No objection. Passed unanimously.	N/A.
2024/11/12	2024 6th	1. Guarantee/endorsement for TOP WELL ELASTIC TECHNOLOGY CO., LTD. 2. Amendments to the Operating Procedures for the Preparation of the Sustainability Report and its internal audit implementation	None.	No objection. Passed unanimously.	N/A.

		rules. 3. Amendments to the “Sales and Collection Cycles”. 4. Amendments to the “Computerized Information System Cycles”. 5. Amendments to the “Financing Cycle” and its internal audit implementation rules.			
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2. Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

II. For independent directors’ recusal from motions which involves conflict of interest, the names of independent directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed: None.

III. Communication between independent directors and chief internal auditor/external auditors (including discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):

The Company’s Audit Committee, consisting of the whole independent directors, shall convene at least one meeting per quarter, and may convene the meeting at any time, if necessary. The independent directors may communicate with the CPAs and internal auditors face to face. In addition to the Audit Committee, the independent directors may also convene the communication meeting with the CPAs separately each year, if necessary. Besides the meeting, the independent directors may also keep in touch and interact with the CPAs and internal auditors via phone or email on weekdays.

1. Communication between the chief internal auditor and Audit Committee:

- (1) The audit report prepared per the audit plan on a monthly basis is submitted to each independent via email or in person for review by the end of next month, and also reported at the Audit Committee meeting. The independent directors who have any question may communicate with the chief internal auditor in person or via phone or email.
- (2) Report the internal audit operations to Audit Committee periodically on a quarterly basis.
- (3) Communicate and respond from time to time via phone or email or in person.
- (4) Any special case shall be reported to the Audit Committee members immediately.
- (5) The communication matters between the independent directors and chief internal auditor in 2024 are stated as following:

Date	Method	Counterpart	Communication matters	Outcome
At the end of each month and Board of Directors	Reported via email, phone, or verbally	All directors (including independent directors)	Monthly audit report	The independent directors raise questions about the audit report. Then, the chief internal auditor shall respond to the questions, so that the independent directors may have full knowledge of the situation.
2024/3/11	Attend audit committee meetings and provide supplementary explanations as needed.	All independent directors	1. Presentation of the Company’s 2023 Statement of Declaration on Internal Control System. 2. Review on 2023 parent company only financial statements and consolidated financial statements.	The chief auditor provided an explanation. After thorough understanding by the independent directors and discussion by the audit committee with no objections, the proposal was approved as is and submitted to the board of directors for resolution.
2024/05/10	Attend audit committee meetings and	All independent directors	1. Review on 2024 Q1 consolidated financial statements.	The independent directors fully understood the content, and after discussion by the Audit Committee with no objections, the

	provide supplementary explanations as needed.			proposal was approved as is and submitted to the Board of Directors for resolution.
2024/08/09	Attend audit committee meetings and provide supplementary explanations as needed.	All independent directors	1. Review on 2024 Q2 consolidated financial statements.	The independent directors fully understood the content, and after discussion by the Audit Committee with no objections, the proposal was approved as is and submitted to the Board of Directors for resolution.
2024/11/11	Attend audit committee meetings and provide supplementary explanations as needed.	All independent directors	2025 internal audit plan.	The independent directors fully understood the content, and after discussion by the Audit Committee with no objections, the proposal was approved as is and submitted to the Board of Directors for resolution.

2. Communication between the CPA and Audit Committee:

- (1) The Company's external auditors shall convene the communication meeting independently with the Audit Committee at least once per year, and provide explanation and communicate with the Audit Committee sufficiently in order to deal with the communication matters required by related laws. The attendees at the meeting exclude the ordinary directors and management. The CPAs and Audit Committee have held the individual communication meeting in March 2024.
- (2) The Audit Committee shall convene a meeting to discuss the external auditors' audit on the current financial statements and audit results in the individual communication meetings, and shall discuss and communicate the audit results, major issues and key audit matters at the meeting thoroughly.
- (3) Discussion via multiple communication channels (e.g. phone, email or in person) is advised. If there is any major opinion to be exchanged, a meeting may be arranged subject to the circumstances.
- (4) The communication matters between the independent directors and external auditors in 2024 are stated as following:

Date	Method	Counterpart	Communication matters	Outcome
2024/03/11 (Individual communication meeting)	Physical meeting	All independent directors and the team of CPAs	The CPAs explained the 2023 financial statement audit results, key audit matters, explanations of important issues, reminder of the update on important laws and regulations and explanation of the audit quality indicators.	The independent directors fully understand the relevant content.
2024/03/11 (Audit Committee)	Physical meeting	All independent directors, CPA, accounting manager, and the Company's management	The accounting officer explained the results of the audit of the financial statements for the year ended December 31, 2023, and the staff from the accounting firm participated.	The independent directors approved the Company's 2023 financial report upon the full understanding, and submitted such to the board of directors for a resolution.

IV. Annual work focus of the Audit Committee:

1. Adoption of or amendments to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluation on the validity of the internal control system.
3. According to Article 36-1 of the Securities and Exchange Act, stipulating or amending the handling procedures of major financial business activities of acquiring or disposing of assets, derivative commodity transactions, loaning of funds to others, and endorsing or providing guarantees for others.
4. A matter bearing on the personal interest of a director.
5. A material asset or derivatives transaction.
6. A material monetary loan, endorsement, or provision of guarantee.
7. Raising, issuing, or private placement of equity-type securities.
8. Appointment or dismissal of the external auditor, or remuneration to the external auditor.
9. Appointment and removal of the head of finance, accounting or internal audit.
10. Annual financial report signed or sealed by the Chairman, general manager and accounting manager.
11. Other material matters required by the Company or the competent authority.

V. Professional qualifications and experience of the Audit Committee members:
For details, please refer to Table “I. Disclosure of information about directors’ and supervisors’ professional qualifications and independent directors’ independence” on Pages 12~13 of the annual report.

2. Information about participation in Board meetings by the supervisors: N/A.

(III) Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company establish rules of corporate governance in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has set forth its Corporate Governance Best-Practice Principles and disclosed them on the Company website.	No deviation.
II. Equity structure and shareholders' equity				
(I) Does the Company define some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure?	V		(I) The Company has established the "Operations of Shareholder Service," "Operations of Shareholders' Rights" and "Rules of Procedure for Shareholder Meetings," to handle shareholders' related affairs. The shareholder service unit and spokesperson handle related matters. Shareholders may contact us through the "Contact Us" and the "Investor Section" on the Company's website to reflect the related problems. The Company will have designated personnel responsible for handling shareholders' recommendations, questions, disputes, and accepting, assessing, and replying litigation matters. So far, no dispute has arisen.	(I) No deviation.
(II) Does the Company control the list of major shareholders and the controlling parties of such shareholders?	V		(II) The Company obtains the information of major shareholders through the monthly insider change report (at any time if required), and obtains the list of ultimate controllers through public information inquiries and inquiries to major shareholders.	(II) No deviation. The monthly report on changes in shares held by insiders serves as the basis for follow-up.
(III) Does the Company establish or implement some risk control and firewall mechanisms between the Company and its affiliate?	V		(III) Except important decision which shall be subject to approval of the Board of Directors, the various subsidiaries' operations are managed by the subsidiaries' management independently; each	(III) No deviation.

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(IV) Does the Company establish internal policies that prevent insiders from trading securities based on non-public information?	V		<p>business are conducted fairly and reasonably based on the existing written regulations.</p> <p>In addition, the Company has established the “Regulations Governing Operations in relation to Finance and Business between Related Parties” to ensure that the financial and business dealings between the Company and its related parties are arm-length transactions.</p> <p>(IV) The Company has established the “Ethical Management Best-Practice Principles,” the “Procedures for Ethical Management and Guidelines for Conduct,” “Corporate Governance Best-Practice Principles,” the “Code of Conducts for Directors, Supervisors, and Managerial Officers,” the “Operating Procedure for the Handling of Internal Important Information and Prevention of Insider Trading” and the “Operational Procedures for the Channel and Protection System for Whistleblowers” and other related regulations, specifying the confidentiality requirements of secrets and business sensitive data obtained during business for the directors, managerial officers, employees, and substantial controllers. The yearly education and promotion of relevant laws and regulations are conducted to prohibit insiders to trade securities with the information not public to the market. For information on the educational training and promotion of ethical corporate management, material information handling procedures, and prohibition of insider trading, please refer to the descriptions in Item VI under the “Ethical Corporate Management –</p>	(IV) No deviation.

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons.”	
III. Composition and duties of Board of Directors				
(I) Does the Board of Directors have a diversity policy and management goals, and implement the same precisely?	V		(I) The composition of the Board of Directors shall be handled and implemented in accordance with the Company’s Articles of Incorporation, as detailed in the description of information on directors on page 5 and page 10 of the annual report.	(I) No deviation.
(II) Is the Company, in addition to establishing the Remuneration Committee and Audit Committee pursuant to laws, willing to establish any other functional committees voluntarily?	V		(II) In addition to establishing the Compensation Committee and Audit Committee in accordance with the law, the Company established the Risk Management Committee and the Sustainability Development Committee in November 2024.	(II) No deviation.
(III) Does the Company formulate the Board's performance evaluation method and evaluation method, conduct performance evaluation annually and regularly, and report the results of the performance evaluation to the board of directors, and apply it to individual directors' remuneration and nomination renewal?	V		(III) The company has completed the Company’s “Board self-evaluation or peer evaluation method” on November 13, 2019. Performance evaluations are conducted before the end of the first quarter each year, and the results are submitted to the Board of Directors for review. These results also serve as references for determining individual directors’ compensation and re-nomination. The self-evaluation results for 2024 were reported to the Board on March 11, 2025. Additionally, the Company commissioned an external independent organization, the Taiwan Investor Relations Institute, to conduct the 2024 Board performance evaluation, and the evaluation report was presented to the Board on January 23, 2025.	(III) No deviation.
(IV) Does the Company assess the independence of			(IV) Assess the independence and competence of external	(IV) No deviation.

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
the CPAs periodically?	V		auditors in accordance with the Company's "Regulations Governing Assessment on Independence and Competence of External Auditors" and assessment form regularly each year. The 2024 assessment result on the independence and suitability of attesting CPAs was deliberated by the Audit Committee, and reported to the Board of Directors on March 12, 2024. Please refer to the "Information about External Auditor's Professional Fee" for the evaluation report.	
IV. Does the TWSE / TPEX Listed Company is equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the board of directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	V		The Company's Financial Dept., Administration Division serves as the corporate governance unit concurrently. The Administration Division head is appointed by the Board of Directors to serve as the Chief Corporate Governance Officer, who shall perform the job duties, including but not limited to, providing directors with the information needed to perform their duties, helping directors comply with laws, convening shareholders' meetings, board meetings and committee meetings under laws, and helping promote and strengthen the corporate governance. The Chief Corporate Governance Officer has attended the continuing education courses for 18 hours in 2024.	No deviation.

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
V. Does the Company establish a communication channel with the stakeholders (including but not limited to stockholders, employees, customers and suppliers), set up the stakeholder section on the Company's website, and respond to the stakeholders regarding their concerns over corporate social responsibilities?	V		(I) Communication channel with stakeholders: 1. The Company has set up a special area for stakeholders on the Company website that provides stakeholders with a contact window and contact information. 2. In addition, a physical employee suggestion box has been set up on the Company's premises to allow staff members to offer comments or complaints. (II) The Company responds to the stakeholders regarding their concerns adequately via said communication channel. Please refer to the Company's ESG report for details.	No deviation.
VI. Does the Company commission a professional shareholders service agent to handle shareholders service affairs?	V		The Company has appointed KGI Securities, Stock Administration Dept. to handle the shareholders service affairs on behalf of it.	No deviation.
VII. Information disclosure (I) Does the Company establish a website that discloses financial, business, and corporate governance-related information?	V		(I) The Company has set up a website in both Chinese and English to disclose the Company's financial business and corporate governance information at any time. Company's website: https://www.twemc.com	(I) No deviation.
(II) Are there other means for disclosure adopted by the Company (e.g. set up an English website, with the personnel dedicated to gathering and disclosing relevant information, properly implement the spokesman system, and post the meetings minutes with institutional investors on the Company website, et al.)?	V		(II) There are dedicated individuals responsible for the collection of relevant information, the disclosure of major company matters, and implementing the spokesperson system.	(II) No deviation.
(III) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter		V	(III) The Company announces and declares its annual financial report within the time limit according to law, and reports the first, second, and third quarter	(III) The Company has not announced and declared its annual financial report within

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
financial reports and the monthly operating situation as early as possible within the prescribed time limit?			financial reports and the monthly operating situation.	two months after the end of the fiscal year.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to, employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and maintenance of liability insurance for the Company's directors and supervisors)?	V		<p>1. Employee rights: The Company has established the regulations governing workers' retirement and regulations. The Company also set up the "Workers' Welfare Committee" to allocate the benefit periodically to provide the expenditure needed by various activities. The Company convenes the "labor-management coordination meeting" periodically and values the harmonious relationship between the labor and management very much, respects the employees' suggestions and claims for work, and practices ISO45001 (2018 version) international occupational safety and health management to raise the awareness toward safety. The validity period of the latest certificate: November 3, 2023 to November 2, 2026.</p> <p>2. Employee care, investor relations, supplier relationship, and the rights of stakeholders: Stakeholders may contact the Company through a diverse channels. Related questions will be handled and answered by dedicated personnel, and the rights of relevant personnel are valued.</p> <p>3. Continuing education of directors: The Company propagates the channels and messages about continuing education of directors from time to time, and discloses the status of continuing education on MOPS. Training hours in 2024: Directors had a total of 71 hours.</p> <p>4. Implementation of risk management policies and risk</p>	No deviation.

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>measurements, and implementation of customer policy: Strict implementation of the same pursuant to the Company's internal control system may mitigate the risk effectively.</p> <p>5. The situation where the Company purchases liability insurance for directors: Liability insurance has been purchased for directors and important staff.</p>	

IX. Specify the status of correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies:

- (I) Notes to the result of the Corporate Governance Evaluation of 10th Term: The Company will check the operations which fail to satisfy the evaluation standards upon announcement of the evaluation result to correct the deficiencies successively. For the time being, most of the deficiencies result from the disclosed contents and details that fail to satisfy the evaluation requirements. The Company will continue to disclose more specific contents additionally.
- (II) Propose enhancement measures for any issues that are yet to be rectified: To improve the items which didn't win any scores one by one subject to the level of difficulty.

(IV) Disclose the composition and functioning of Company's Remuneration Committee, if any:

1. Information about Remuneration Committee members

Position	Qualifications	Professional Qualifications and Experience	Independence	Number of positions as a Remuneration Committee member in other public listed companies	Remark
	Name				
Independent director (Convener)	Su Yi Hsiu	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	None.	Appointed (new elected) on June 27, 2024
Independent director	Higashiyama Mikio	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	None.	Appointed (re-elected) on June 27, 2024

Independent director	Chen Wan-Yu	Please refer to Table “I. Disclosure of information about directors’ and supervisors’ professional qualifications and independent directors’ independence” on Page10.	Please refer to Table “I. Disclosure of information about directors’ and supervisors’ professional qualifications and independent directors’ independence” on Page10.	1	Appointed (new elected) on June 27, 2024
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2. Operations of Remuneration Committee

(1) The Company’s Remuneration Committee consists of 3 members.

(2) Term of office: From June 27, 2024 to June 26, 2027; the Committee has held 4 (A) meetings during the most recent year, and the Committee members’ qualification and attendance are summarized as follows:

Job title	Name	Count of actual presence (B)	Count of presence by proxy	Actual presence ratio (%) (B/A)	Remark
Convener	Su Yi Hsiu	2	0	100	New elected on June 27, 2024
Member	Chen Wan-Yu	2	0	100	New elected on June 27, 2024
Member	Higashiyama Mikio	4	0	100	Re-elected on June 27, 2024
Member	Chueh Liang-Wu	2	0	100	Discharged on June 27, 2024 (the convener of the previous term)
Member	Chen Chun-Cheng	2	0	100	Discharged on June 27, 2024

Other items to be stated:

I. The Board of Directors does not adopt, or amends the Remuneration Committee’s suggestions: None.

II. For resolution(s) made by the Remuneration Committee with the committee members voicing opposing or qualified opinions on the record or in writing: None.

(3) Discussions and resolutions of the Remuneration Committee in 2024:

Remuneration Committee Date	Term	Proposal content	Resolution result	The Company's handling of the opinions of the Remuneration Committee
2024/01/30	9th meeting of 5th term	1. Periodically review the annual and long-term performance goals and remuneration policy, system, standard and structure for the Company's directors, supervisors and managerial officers. 2. Motion for allocation of 2023 year-end bonus to managerial officers.	Passed unanimously. Passed unanimously.	1. Unanimously approved by all attending committee members and submitted to the Board of Directors for resolution. 2. Unanimously approved by all attending committee members and submitted to the Board of Directors for resolution.
2024/03/11	10th meeting of 5th term	Allocation of 2023 remuneration to employees and directors.	Passed unanimously.	Unanimously approved by all attending committee members and submitted to the Board of Directors for resolution.
2024/06/27	The 1st meeting of the 6th term	Elect the convener for the current term.	Passed unanimously.	Independent Director Su I-Hsiu was elected as the convener of the current term.
2024/08/09	The 2nd meeting of the 6th term	1. Distribution of 2023 remuneration to directors. 2. Motion for allocation of 2023 employee remuneration to managerial officers	Passed unanimously. Passed unanimously.	Unanimously approved by all attending committee members and submitted to the Board of Directors for resolution.

(V) Status of sustainable development, and deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof, and disclosure of climate related information:

1. Status of sustainable development, and deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof:

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company implement a governance framework that supports sustainable development, and designate a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the Board of Directors and run by senior management, and how does the Board supervise progress?	V		<p>1. Promote the sustainable development governance framework: Please refer to the Company's Sustainability Report for details.</p> <p>2. Implementation of sustainable development unit: (1) The name of the unit that specializes (or is involved) in the promotion of sustainable development, when to set up the unit and authorization by the Board of Directors: The Company established a functional Corporate Social Responsibility (CSR) Committee in 2015 to oversee sustainability-related operations. In 2022, it was renamed the Sustainability Center to reflect its broader scope. On November 12, 2024, the Board of Directors approved the establishment of the Sustainability Development Committee and the Risk Management Committee to supervise the operations of the Sustainability Center, oversee information disclosure, and review the sustainability report.</p> <p>(2) Composition and operations of the unit members, and execution status: The Company's Sustainability Center serves as the cross-departmental communication platform vertically integrating and horizontally linking resources effectively, and includes the corporate social responsibility into the Company's business strategies, functions based on the "P-D-C-A" (Plan-Do-Check-Act) management model with respect to the risk assessment and project management on the ESG issues, and strictly complies with various laws and regulations to perform the social responsibility. In 2024, the Sustainability Center convened four meetings.</p> <p>(3) Frequency of reporting to the Board of Directors by the promotion</p>	No deviation. The Company will continue to promote the sustainable development-related business, and also enhance the frequency of communication with the Board of Directors.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>unit: The Sustainability Center has reported relevant operations to the Board of Directors every quarter. In 2024 the reports were made four times in total, and the most recent report was made on November 12, 2024.</p> <p>3. How does the Board supervise the sustainable development progress: The management need to propose the Company's management policy, strategies and goals and review policies to the Board of Directors. The Board of Directors has to judge the possibility about the success of these strategies and also review the progress of the strategies, and shall urge the management team to make adjustment if necessary.</p>	
II. Does the Company conduct the risk assessment on the environment, society and corporate governance issue concerning the Company's operations in accordance with the materiality principle, and adopt related risk management policies or strategies? (Note 1)	V		<p>1. Boundary of risk assessment: The boundary of risk assessment refers to the Company primarily for the disclosure of the year.</p> <p>2. Risk assessment standards, process, results and risk management policies or strategies about identification of material ESG issues: The Sustainability Center proceeds with the analysis based on the materiality principle on the sustainability report, and also communicate with internal and external stakeholders, and check domestic and foreign research report, literature and integrate various department's evaluation information to assess the ESG issues of materiality, sets forth the management policy which may identify, measure, supervise and control risks effectively and adopts specific action programs to mitigate the effects posed by related risks. For the procedures to identify the material issues, related risk management policy or strategies, please refer to the sustainability report.</p>	No deviation.
III. Environmental issues (I) Does the company establish an appropriate environmental management system according to its	V		For the environmental protection issues, the Company promoted the environment management system in accordance with ISO 14001 in 2000, and received the environmental management system certification. Meanwhile, the revised version of ISO14001:2015 certification was	No deviation.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
industry characteristics?			conducted in 2017. Before the expiry date of the certificates, the Company will continue to obtain the certificate from external organizations through re-verification. The latest validity period is between November 3, 2023 to November 2, 2026.	
(II) Is the Company committed to improving the efficiency of the use of energy, and using recycled materials with low impact on environmental load?	V		<p>1. According to the Energy Administration Act, major energy users were required to achieve an average annual electricity saving rate of at least 1% from 2015 to 2024. With the original regulation expiring at the end of 2024, the Ministry of Economic Affairs announced on January 2, 2025, that the new requirement for the period 2025 to 2028 will remain an average annual electricity saving rate of no less than 1%. The Company continues to implement energy-saving measures, calculating its savings rate in accordance with the methodology outlined in the “Energy Audit for Manufacturing Industries.” The electricity saving rate was 1.93% in 2023 and 0.98% in 2024.</p> <p>2. Research and develop green products, and use the PU shoe material made of CO2 carbon sources and biomass material, namely the renewable materials with low impact on the environmental load. A bluesign is the certification for the optimization of the resource utilization and minimal impact on the environment. Some of Evermost's products are certified with bluesign® , which can be inquired on the website of bluesign finder.</p>	No deviation.
(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take related measures?	V		<p>1. In response to climate change, the Sustainability Center has gradually conducted the inventories of energy consumption and carbon emissions, formulated relevant energy-saving and carbon-reduction measures, and further assessed the development of new products by using low emission materials or technologies, the potential current and future risks and opportunities of climate change to the Company, and possible countermeasures. Please refer to the Sustainability Report.</p> <p>2. In response to energy saving & carbon reduction and environmental protection, the Company worked with Experimental Forest Office of National Taiwan University in November 2009 to boost the “Enterprise</p>	No deviation.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			Forestation Plan” and adopted the forestation land occupying an area of 1 hectare, in order to reduce damage to the ecological environment. Please refer to the Company’s ESG report for details.	
(IV) Does the company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for GHG reduction, water management or other waste management?	V		<p>1. The following is a summary of greenhouse gas emissions, water resource usage, and waste statistics over the past two years, covering all domestic facilities of Evermore Chemical.</p> <p>(1) Greenhouse gas emissions</p> <p>Since 2021, the Company has conducted an inventory of greenhouse gas emissions and promoted various energy-saving measures at the same time. With the base year of 2021, the Company has identified material energy-using processes or units, and gradually established and tracked management actions and reduction programs. For details on greenhouse gas emissions and related metrics, please refer to Section 2, “Climate-related Information,” and the relevant sections of the Sustainability Report.</p> <p>Greenhouse Gas Emission Management Actions and Reduction Initiatives:</p> <p>Due to the nature of chemical manufacturing processes, which require heat-driven reactions, energy consumption fluctuates with production volumes. As a result, carbon emissions are positively correlated with total output. In 2024, total production was higher than in 2023, leading to an increase in total greenhouse gas emissions. However, due to changes in the product mix and differences in process durations affecting energy consumption, emission intensity in 2024 was lower than in 2023.</p> <p>The Company’s primary emission source is industrial electricity consumption. Therefore, the annual goal is to reduce electricity usage by more than 1% compared to the previous year.</p> <p>Target total greenhouse gas emissions for 2024 is less than 7,787.222 metric tons CO₂ e. Actual emissions for 2024 is 9,661.493</p>	No deviation.

Item	Status		Summary	Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
			<p>metric tons CO₂ e. Target total emissions for 2025 is less than 9,368.532 metric tons CO₂ e.</p> <p>Key Actions and Achievements in 2024:</p> <p>A. Newly purchased equipment:</p> <p>(1) Green power investment: In mid-2024, the Company completed the installation of solar panels at two locations. From June to December 2024, the systems generated 190,736 kWh of electricity. Of this, 64,000 kWh was sold externally. Renewable Energy Certificates (T-RECs) are currently being applied for the portion used internally.</p> <p>B. Power monitoring:</p> <p>The Dayuan Factory adopts the power monitoring system to visualize energy consumption. In case of abnormality, the corresponding units will be notified immediately for rectification. In 2024, an abnormality where a total of 535 kWh of power increased was detected. The abnormal location was immediately confirmed when the incident was found, and the responsible unit was notified for improvement.</p> <p>At the Nangang Plant, a power monitoring system was installed targeting departments with the highest electricity consumption. Trial operations of the monitoring system were completed in 2024, with the current status as follows:</p> <ol style="list-style-type: none"> 1. Conducted energy-saving evaluations for the top ten electricity-consuming equipment. (e.g., production line air compressors, cold storage units, and production line heaters). 2. Identified equipment without cumulative electricity usage data to verify whether the units are inactive or if there are anomalies in meter readings. 3. Reviewed the operating schedule of cold storage units to assess the possibility of avoiding peak electricity pricing periods. 	

Item	Status		Summary	Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof																		
	Yes	No																				
			<p>4. Evaluated alternative low-energy heating and cooling equipment.</p> <p>(2) Water Resources: The Company's water source is tap water, and the main usages include raw materials or solvents, cooling water for processes, water for process steam boiler, and domestic water. After internal treatment, wastewater is discharged to the wastewater treatment plant in the industrial zone. Testings are conducted in accordance with the testing regulations. No violations of exceeding the discharge limit occurred in 2024.</p> <table> <tr> <td colspan="2">Water consumption</td> <td>Unit: million liters</td> </tr> <tr> <td>Year</td> <td>2023</td> <td>2024</td> </tr> <tr> <td>Water withdrawal</td> <td>38.740</td> <td>43.382</td> </tr> <tr> <td>Water discharged</td> <td>12.969</td> <td>12.860</td> </tr> <tr> <td>Water consumption</td> <td>25.771</td> <td>30.522</td> </tr> <tr> <td>Reuse of recycled water from processes</td> <td>0.138</td> <td>0.248</td> </tr> </table> <p>Water resource management actions and reduction plans: It is proceeded by dividing as two major classifications, water saving in production processes and water saving in daily life. The target for 2024 was set at less than 35,000 m³/year, with actual consumption recorded at 43,382 m³. The target for 2025 is set at less than 40,000 m³/year.</p> <p>A. Water saving in the process, the Company has been recycling water from process for many years, and will continue to work hard to optimize the process in the future. A total of 248.038 tons of water from process was recycled and reused in 2024.</p> <p>B. Water saving for daily use, the Company continues to install water economizers on taps, reduces water output at low-frequency water areas, and collects rainwater for green plant irrigation.</p>	Water consumption		Unit: million liters	Year	2023	2024	Water withdrawal	38.740	43.382	Water discharged	12.969	12.860	Water consumption	25.771	30.522	Reuse of recycled water from processes	0.138	0.248	
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	Yes	No	Summary																																																																																							
			<p>(3) Waste:</p> <p>The Company engages qualified vendors to remove and transport waste, and depending on the characteristics of waste, incineration, heat treatment, landfill, and recycling are adopted for disposal.</p> <table><tr><th colspan="2">Waste Disposal Volume</th><th colspan="7">Unit: metric tons</th></tr><tr><th rowspan="2">Classification</th><th rowspan="2">Waste Code</th><th colspan="3">2023</th><th colspan="4">2024</th></tr><tr><th>Total output</th><th>Reuse</th><th>Removal and treatment</th><th>Total output</th><th>Reuse</th><th>Wash and clean</th><th>Removal and treatment</th></tr><tr><td rowspan="2">General industrial waste</td><td>Category D</td><td>1,126</td><td>806</td><td>320</td><td>2,140</td><td>1,495</td><td>0</td><td>645</td></tr><tr><td>Category R</td><td>6</td><td>6</td><td>0</td><td>5</td><td>5</td><td>0</td><td>5</td></tr><tr><td rowspan="3">Hazardous industrial waste</td><td>C-0301</td><td>7</td><td>0</td><td>7</td><td>8</td><td>1</td><td>0</td><td>7</td></tr><tr><td>B-0347</td><td>115</td><td>115</td><td>0</td><td>138</td><td>138</td><td>0</td><td>0</td></tr><tr><td>B-0399</td><td>6</td><td>6</td><td>0</td><td>1</td><td>0</td><td>1</td><td>1</td></tr><tr><td colspan="2">Total</td><td>1,260</td><td>933</td><td>327</td><td>2,292</td><td>0</td><td>0</td><td>0</td></tr></table> <p>Waste management actions and reduction plans:</p> <p>The Company establishes programs including reduction at source, waste reduction at production, as well as sorting, recycling, and reuse, to manage the waste output. At the end of each year, the Company convenes meetings to discuss the new annual reduction target.</p> <table><tr><th>Indicator</th><th>Goals for 2023</th><th>Status of Achievement</th><th>Goals for 2024</th><th>Status of Achievement</th></tr><tr><td>PE film recycled kg÷(removed waste plastic mixture volume + PE film recycled)</td><td>>30%</td><td>Achieved</td><td>>40%</td><td>Achieved</td></tr></table>	Waste Disposal Volume		Unit: metric tons							Classification	Waste Code	2023			2024				Total output	Reuse	Removal and treatment	Total output	Reuse	Wash and clean	Removal and treatment	General industrial waste	Category D	1,126	806	320	2,140	1,495	0	645	Category R	6	6	0	5	5	0	5	Hazardous industrial waste	C-0301	7	0	7	8	1	0	7	B-0347	115	115	0	138	138	0	0	B-0399	6	6	0	1	0	1	1	Total		1,260	933	327	2,292	0	0	0	Indicator	Goals for 2023	Status of Achievement	Goals for 2024	Status of Achievement	PE film recycled kg÷(removed waste plastic mixture volume + PE film recycled)	>30%	Achieved	>40%	Achieved	
Waste Disposal Volume		Unit: metric tons																																																																																								
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Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>conservation, waste reduction, and related management policies, please refer to the Company's Sustainability Report.</p> <p>3. The Company has not yet conducted third-party assurance of its greenhouse gas emissions. Water consumption and waste disposal data for 2024 have been verified by Ernst & Young CPA Firm, with an assurance report issued. Please refer to the 2024 Sustainability Report. (Note: As of the publication date of this annual report, the verification process is still ongoing.)</p>	
<p>IV. Social issues</p> <p>(I) Does the Company establish the related management policies and procedures in accordance with the relevant laws and international human rights conventions?</p>	V		<p>1. The Company establishes the work rules and management regulations for its employees in accordance with Labor Standard Act and related laws. It defines the labor-management right and obligation in accordance with labor-related laws and also respects the principles about labors' basic human rights recognized globally.</p> <p>2. The subsidiaries in the mainland China maintain insurance for their employees and established labor unions in accordance with the local social insurance requirements.</p>	No deviation.
<p>(II) Does the Company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflect business performance or results in employee compensation?</p>	V		<p>1. Employee benefit plans: The Company handles the employee remuneration, workplace diversification and equality, leave, allowances, cash gifts and subsidies, as well as the trust system of employee shareholding in accordance with labor-related laws and regulations. All of the employees' interests and rights are protected legally. Please refer to the labor relations under "Five. Operation Overview" in the Company's annual report and the sustainability report.</p> <p>2. How business performance or results are appropriately reflected in employee remuneration policy, and implementation thereof: According to the Company's Regulations Governing Salary Management, the salary consists of fixed and variable amount. The variable amount refers to the bonus allocated subject to the annual business results and the remuneration equivalent to 5% of the income</p>	No deviation.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			before deduction of the remuneration according to the articles of incorporation. The variable salary is paid according to the Regulations Governing Salary Management. The performance evaluation covers achievement of annual budget, department performance and personal performance, work skill performance, operations management and strategic development.	
(III) Does the Company provide its employees with a safe and healthy work environment, and regularly implement employee safety and health education measures?	V		<ol style="list-style-type: none"> 1. The Company values employees' health, and organizes the employee health checkup and special health checkup based on the requirements superior than those defined in the Occupational Safety and Health Act each year. According to the inspection results analysis, the dedicated personnel (together with the healthcare professionals at the factory premises) execute the control banding strictly, arrange the interview and guidance about health, and follow up and control any abnormalities. 2. In accordance with the Occupational Health Protection Regulations, new employees are required to undergo general or special physical examinations as specified. After onboarding, employees may apply for reimbursement of expenses related to special physical examinations. 3. Implement the operating environment monitoring periodically to ensure the convenient and safe working environment for employees. 4. Follow the four major management plans for prevention of the "musculoskeletal disorders induced by repetitive operations," "ailments induced by exceptional workload, such as working shifts, working at night, and long working hours" and "wrongful physical or mental harm caused by the actions of others during the execution of job duties" under the Occupational Safety and Health Act and for "Maternity Health Protection". 5. Set themes and objectives, perform inspections, and improve the working environment via the 6S team. 6. Organize the employee hiking activities and establish the sports club. 7. Establish the occupational safety and health management unit dedicated 	No deviation.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			to preparing, planning, supervising and promoting safety and health management operations, and performing the safety and health education and training program on employees which may organized in turn subject to the time schedule adjustable by the production unit working under the shift system, in addition to the fire drill organized once per six months, in order to improve the employees' awareness toward safety. Please refer to the Company's ESG report for details. 8. The Company has established relevant fire prevention systems and equipment, regularly maintained fire alarm facilities and conducted fire drills, to ensure the Company's personnel and property not to sustain losses due to fire. There was no fire incident in 2024, and no fire-related casualty or injury was reported.	
(IV) Does the Company establish an effective career development training program for employees?	V		The Company has established education and training management methods and formulated an annual education and training plan, which improves the quality of manpower, enhance employees' working knowledge and skills, and organize internal and external training every year according to the needs of various departments. Please refer to the Company's ESG report for details.	No deviation.
(V) Regarding the issues, such as customer health and safety, customer privacy, marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and formulates relevant consumer protection or customer interest policies and appeal procedures?	V		For the customers' health and safety of products and services, customers' privacy, marketing and labeling, among other issues, the Company has operated in accordance with relevant regulations and international standards, and has set up a special area for stakeholders on the company website, providing contact information and methods for interested parties and for customers to provide comments or appeals. For details, please refer to the Company's Sustainability Report.	No deviation.
(VI) Does the Company	V		The Company's supplier management procedures and supplier evaluation	No deviation.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
formulate supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?			form are based on ISO 9001, to regularly score and evaluate suppliers and third-party suppliers. For more information, please refer to the Company's Sustainability Report.	
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of ESG reports and other reports that disclose the Company's non-financial information? Does the preliminary report obtain the confidence or assurance opinion of the third-party verification unit?	V		<ol style="list-style-type: none"> 1. The Company follows the Global Reporting Initiative Standards (GRI Standards) in preparation of its ESG report. 2. Please refer to the appendix in the Sustainability Report for information on the verification of the Company's Sustainability Report. 	No deviation.
VI.	<p>If the Company has its own sustainable development best practice principles based on the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe its current practices and any deviations thereof from the Best-Practice Principles:</p> <p>The Company adopted its “Corporate Social Responsibility Best Practice Principles” in March 2020, and renamed it as “Sustainable Development Best Practice Principles” in 2022, and amended the provisions thereof in reference to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” in order to practice the corporate sustainable development objectives step by step pursuant to the provisions of the Principles.</p>			

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
VII.			Other important information to facilitate understanding of sustainable development operations: 1. Guided by the core business philosophy of “Integrity and Resilience, Research and Innovation, Sustainable Operations, and Profit Sharing,” the Company is committed to steady and continuous improvement. We strive to build strong two-way communication channels to serve our clients and create a value chain that fosters a shared community of mutual growth. 2. The Company has donated the sponsorship for carnivals to Taiwan Fund for Children and Families and participated in the bazaar physically since 2009. In 2024, the total amount of donation was NT\$80,000. Since 2014, the Company has also participated in the activity for raising of Lunar Year dishes organized by Huashan Social Welfare Foundation, in order to feed back to the society through participation in the public welfare activities. In 2024, the total amount of donation was NT\$50,000, with 23 set of dishes. 3. The Company has diverse talent recruitment channels, including recruiting young and outstanding talents through industry-academia cooperation. There was no industry-academia cooperation in 2024. 4. The Company makes its best efforts to protect the environment to achieve the sustainability and fulfill the corporate social responsibility. The multiple pollution prevention equipment owned by the plant is stated as following: A.Liquid-injected incinerator: The particulate matter emission control standard values applicable to such equipment are 50mg/Nm ³ (new pollution sources) and 100 mg/Nm ³ (existing pollution sources) in the process of combustion. The plant has reviewed the boilers and incinerators and adopted the eco-friendly fuel (change from heavy oil to natural gas) since 2014, in order to commit itself to practice the “recognition of environmental safety and fulfillment of improvement” declared by the SHE policy. The plant processes the high-concentration COD waterbody generated by evacuation in the process of production of the “polyester polyol”. If it exceeds the waste water treatment load, it will be treated by the incinerator at the plant in accordance with the “Small-Sized Waste Incinerator Dioxin Control and Emission Standards”. Meanwhile, the Boiler Air Pollutant Emissions Standards has been made public on September 19, 2018. The particulate matter emission control value applicable to the existing boilers should be 30 mg/Nm3 (since July 1, 2020). As the plant adopts such eco-friendly fuel as natural gas, the permit extension test report shows that the particulate matter emission control value is <30 mg/Nm3. B. Waste water treatment equipment: Store, manage and treat the esterified water D-1505 waste (sewage) water and cooling waste water generated in the process of the production of the “polyester polyol”, and domestic waste water in the form of ultra-high, high and low-concentration COD waterbody. The waste water treatment equipment invested by the plant is engaged in discharging the organic matters contained in the waste water treated and decomposed by the two-step biological treatment process in the equalization basin upon mixing into the sewage sewer of the industrial park. The discharged water quality upon the treatment satisfies the industrial park’s emission standard (Nankang: COD<640mg/L). C.Organic gas biological filter bed treatment equipment: In order to process VOCs effectively, the plant adopts high-efficiency low-carbon volatile organic matter control technology, the biological filter bed, to process the Company’s VOCs of odor substance	

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
or organic compounds, in accordance with the “Volatile Organic Compounds Air Pollution Control and Emission Standards”. D.For more information, please refer to the Company’s Sustainability Report.				

Note 1: The principle of materiality: refers to the environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

2. Climate-Related Information: Implementation of Climate-Related Information

Item	Implementation Status (Note)
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>1. Board of Directors: The board of directors is the highest governance unit of the company , Supervise the company's sustainable development business promotion situation , Evaluate strategic feasibility and monitor 、 Review strategy progress , and urge the management team to make adjustments when necessary</p> <p>2. Sustainable Development Committee: In November 2024, the Company established the Sustainability Development Committee with approval from the Board of Directors. The Committee supports the operations of the Sustainability Center and reports directly to the Board.</p> <p>3. Sustainability Center: The Company's sustainability center is the highest-level sustainability organization of the management team. Members include General Manager, General Manager’s Office and Heads of Departments. Ability to effectively integrate resources. Negotiate and implement various policies in a strategic, systematic and organized manner. The Sustainable Development Team is responsible for assessing, formulating strategies and management indicators for sustainable issues such as the environment, society, corporate governance and climate risks, opportunities and financial impacts, and reports to the Board of Directors in a timely manner. Each unit has set management targets and methods based on the identified climate-related risks and opportunities based on the severity of impact. The Sustainability Center has reported quarterly to the Board of Directors on greenhouse gas inventory or measures related to climate change since 2022.</p>
2. Describe how the identified climate risks and	The Company manages climate-related risks and opportunities by referencing the core

Item	Implementation Status (Note)				
opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). This process includes data collection, cross-departmental discussions to identify risks and opportunities, assessment of the short-, medium-, and long-term financial impacts, and the development of feasible business models, along with adjustments to operational strategies and response measures.				
	Based on the evaluation conducted by the Sustainability Task Force and building on the results identified in 2022, the Company has confirmed the relevant risks and opportunities for 2024. In addition, the timing of these risks and opportunities and their potential financial impacts were assessed, and corresponding response measures have been formulated as follows:				
	Type	Climate-related risks/opportunities	Impact time	Potential financial impact	Impact on business or response strategies
	Transition risk	Carbon emission control and carbon tax collection	Long-term	Increased in costs Increase in expenses	Use low-carbon raw materials, replace energy-consumed equipment or add energy-saving equipment, and use low-carbon or renewable energy to reduce carbon emissions
		Low carbon product development costs increase	Interim	Increase in expenses Increase in capital spending	Utilize external resources for low-carbon product development, company process carbon reduction, or customer processing procedure carbon reduction technology development
		Rising costs of low-carbon raw materials	Interim	Increased in costs	Find low carbon ingredients or supplier
Customers switch to low-carbon products		Long-term	Operating income decrease	Connect supply chain relationships through product carbon footprint inspections, jointly develop low-carbon products with customers, and cooperate with customers' carbon neutrality commitments	
Physical risk	Climate factors causing unstable power supply	Short-term	Increase in capital spending Increase in expenses	Because unstable power supply may cause equipment damage and need repairs, semi-finished products in the process may be damaged and scrapped, or production	

Item	Implementation Status (Note)				
				Decrease in revenue	interruptions may affect delivery and reduce revenue, it is necessary to accurately grasp the power company's power outage information and build generators to prepare for temporary power outages
		Heavy rainfall, flooding, flooding	Short-term	Increase in expenses	Rainwater contamination of moisture-sensitive products will affect quality and increase disposal costs. Through BCP war games, we ensure that relevant countermeasures are implemented normally and effectively, and ditches are cleaned regularly to maintain smooth drainage.
		Water shortage and water pressure restriction	Long-term	Increase in expenses	Pay close attention to the water company's announcement of water outages, take measures to store water, and increase the amount of recycled water in the factory for reuse
	Opportunities	Develop low-carbon products to enter new markets	Long-term	Increase in revenue	International brand customers are highly receptive to green and carbon-reducing products. Through product carbon footprint inventory, a database is established and the supply chain is connected with the carbon emission database. The complete database data can enhance the brand's customer appeal and create revenue.
		Improve process energy efficiency and reduce costs	Long-term	Decrease in expense	Find emission hotspots through carbon disks, and gradually improve production schedule design through overall production equipment (OEE) efficiency tracking to reduce energy use and reduce carbon emissions
3. Describe the financial impact of extreme weather events and transformative actions.	<p>Extreme weather events:</p> <p>Events such as heavy rainfall, typhoons, heat waves, droughts and water shortages will cause traffic interruptions, power supply interruptions, damage to factory machinery and</p>				

Item	Implementation Status (Note)
	<p>equipment, and low production efficiency caused by high temperature weather. This may lead to interruption of the company's supply chain and increase the cost of raw materials, and bear higher factory operating costs. Even the production line cannot operate normally.</p> <p>Transformation action:</p> <p>Transition actions aimed at reducing greenhouse gas emissions to mitigate the frequency of extreme weather events. Including the development costs of low-carbon products, the increased cost of using low-carbon raw materials, production line upgrades to reduce energy consumption, facility retrofitting, employee training, and investments in carbon reduction projects such as carbon credit trading, these efforts may raise operating costs in the short term. However, in the long term, if the Company's transition actions succeed, integration into branded green supply chains may bring positive financial impacts.</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<ol style="list-style-type: none"> 1. In accordance with ISO-based "Strategic Management Procedures," each department identifies operational risks, opportunities, and climate-related issues. The Sustainability Task Force consolidates and assesses the climate-related risks and opportunities submitted by each unit, evaluates their potential financial impact, and formulates response strategies to mitigate risks to business operations and finances. Through SWOT analysis, the Company establishes strategic objectives that incorporate identified climate risks and opportunities, and sets short-, medium-, and long-term strategies and management indicators. Each policy and management indicator is implemented by the relevant departments, which carry out day-to-day risk control in line with established standard operating procedures and internal regulations. 2. The Sustainability Task Force integrates organizational resources, coordinates and monitors the implementation status of various policies, and holds meetings as needed to review progress. Strategies and management indicators are revised when necessary, and implementation results are reported to the Board of Directors.
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>The Company has not yet used scenario analysis for evaluation.</p>
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and</p>	<p>The Company's transition plan to manage climate-related risks is currently under evaluation.</p>

Item	Implementation Status (Note)																																	
transition risks.																																		
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet used the internal carbon pricing as the planning tool.																																	
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company's climate-related goals are still under the studying process.																																	
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	As the Company’s paid-in capital does not exceed NT\$5 billion, the greenhouse gas inventory and assurance processes, as well as the related reduction targets, strategies, and concrete action plans, are still under development. Only partial disclosure is provided for the current year. Scope of data: the Company																																	
9-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years	Greenhouse gas emissions:																																	
9-1-1 Greenhouse Gas Inventory Information																																		
Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.																																		
9-1-2 Greenhouse Gas Assurance Information																																		
Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report,																																		
	<table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Item</td><td></td><td></td></tr><tr><td>Total production volume (Ton)</td><td>18,937.445</td><td>22,142.441</td></tr><tr><td>Scope 1 (metric tons CO2e)</td><td>3,380.208</td><td>3,916.622</td></tr><tr><td>Scope 2 (metric tons CO2e)</td><td>4,981.760</td><td>5,744.871</td></tr><tr><td>Total</td><td>8,361.968</td><td>9,661.493</td></tr><tr><td>Intensity (metric tons CO2e)</td><td>0.442</td><td>0.436</td></tr><tr><td>Scope 3 (metric tons CO2e)</td><td>67,822.622</td><td>81,701.527</td></tr><tr><td>Total: Scope 1 + Scope 2 + Scope 3</td><td>76,184.590</td><td>91,363.020</td></tr><tr><td>Intensity (including Scope 3) – Emissions per metric ton</td><td>4.023</td><td>4.126</td></tr><tr><td>Assurance Information</td><td>Without assurance</td><td>Without assurance</td></tr></table>	Year	2023	2024	Item			Total production volume (Ton)	18,937.445	22,142.441	Scope 1 (metric tons CO2e)	3,380.208	3,916.622	Scope 2 (metric tons CO2e)	4,981.760	5,744.871	Total	8,361.968	9,661.493	Intensity (metric tons CO2e)	0.442	0.436	Scope 3 (metric tons CO2e)	67,822.622	81,701.527	Total: Scope 1 + Scope 2 + Scope 3	76,184.590	91,363.020	Intensity (including Scope 3) – Emissions per metric ton	4.023	4.126	Assurance Information	Without assurance	Without assurance
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Assurance Information	Without assurance	Without assurance																																
	※ Scope 3 emissions for the Company include only Category 1 (purchased goods and services) and Category 12 (end-of-life treatment of sold products), which together account for the majority of the Company’s Scope 3 emissions.																																	

Item	Implementation Status (Note)
<p>including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.</p> <p>9-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan</p> <p>Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.</p>	<p>The Company has designated 2022 as the base year for its greenhouse gas inventory, covering the Nangang Plant in Nantou City and the Dayuan Plant in Taoyuan City. Major energy use sources have been identified, and corresponding management actions and reduction initiatives are being tracked. The emission reduction targets, strategies, and specific action plans are still under development.</p>

Note: For more information, please refer to the Company's Sustainability Report.

(VI) Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies:

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Enactment of ethical management policy and program	V		The Company has established “Ethical Corporate Management Best Practice Principles” and disclosed them on the market observation post system. Amendments to the Principles must be approved by the board of directors, and the Board of Directors and senior management are committed to actively implementing business policies.	No deviation.
(I) Does the Company formulate the ethical management policy approved by the board of directors, and in the regulations and external documents expressed the policies and practices of operating in good faith, and the commitment of the board of directors and senior management to actively implement business policies?				
(II) Has the company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?”				
(III) Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to	V		The Company has established its Procedures for Ethical Management and Guidelines for Conduct. under which the operating	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?			procedures, behavioral guidelines, punishments, and appeals systems for violations are clearly established and implemented. Furthermore, it regularly reviews the state of interest in the disclosure plan prior to amendments and standardizes the scope of defense.	
II. Implementation of ethical management (I) Does the Company assess a trading counterpart's ethical management record, and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	V		The Company will assess the trading counterpart's ethical management record based on the related provisions of internal control or ISO procedures, and expressly state the ethical management best-practice principles to be followed.	No deviation.
(II) Has the company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	V		he Company's "ethical corporate management best-practice principles" provide that the Board of Director shall designate a unit dedicated to establishing, supervising and implementing the ethical corporate management policy and preventive program, if necessary, and to reporting the status thereof to the Board of Directors periodically. The Administration Division of the Company is responsible for the amendment, implementation, interpretation and consultation service of the Ethical Corporate Management Policies and Codes of Conduct, as well as the	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>recording and documenting reports among other related operations, and the supervision of implementation. It is mainly responsible for the following matters:</p> <ol style="list-style-type: none"> 1. Assist in integrating integrity and ethical values into the Company's business strategy and cooperate with the legal system to formulate relevant anti-fraud measures to ensure ethical management. 2. Regularly analyze and evaluate the risks of dishonesty in the business scope and formulate plans to prevent dishonesty, incorporating standards of the Procedures and Guidelines for Conduct within each plan. 3. In planning internal organization, establishment, and responsibility, for business activities with a high risk of dishonesty in the business scope, it shall place a mechanism for mutual supervision and checks and balances. 4. It shall promote and coordinate of ethical policy advocacy training. 5. It shall plan the reporting system, ensuring the effectiveness of implementation. 6. It shall assist the Board of Directors and management to check and evaluate 	

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>whether the preventive measures established by ethical management are operating effectively, and regularly evaluate and follow the relevant business processes in a report.</p> <p>The Administration Division reports related operations and implementation results to the Board of Directors at least once a year. On November 12, 2024, the Administration Division reported the ethical management policy, implementation methods, audit and implementation results to the Board of Directors.</p>	
(III) Does the Company define any policy against conflict of interest, provides adequate channel thereof, and fulfills the same precisely?	V		<p>The Company's directors and managerial officers may state to the Company's management voluntarily from time to time whether there is any conflict of interest between them and the Company. If any motion proposed at a directors' meeting involves a conflict of interest with them per se or any juristic persons represented by them and thereby causes harm to the Company's interest, they may state their opinion and responses and be prohibited from participating in discussion and voting. They shall recuse themselves from discussion and voting or exercising voting power on behalf of any other director. The</p>	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>directors shall be self-disciplined, and prohibited from backing up each other inadequately.</p> <p>The Company has established the “Operational Procedures for the Channel and Protection System for Whistleblowers.” Any person who discovers that the Company (including subsidiaries) or any person performing duties on behalf of the Company may violate the law or business ethics, may notify the Company through the whistle-blowing channels. There will be dedicated personnel to handle related matters in accordance with the procedures.</p>	
(IV) Does the company establish an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrust an accountant to perform the audit?	V		The Company has established an internal control system, accounting system and other relevant rules and regulations, and they are operating effectively. The internal auditors regularly review relevant transactions, and the audits cover unethical conducts, and the results of the audit will be reported to the Board of Directors; the CPAs conduct internal control system audit, covering the status of ethical corporate management.	No deviation.
(V) Does the Company organize internal/external education training program for ethical management periodically?	V		The Company regularly organizes internal and external education and trainings and promotion on ethical management from time to	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			time. Please refer to the description of “VI. Other Important Information Helpful to Understand the Company's Operation of Ethical Corporate Management” in this Table.	
III. Status of the Company’s whistleblowing system (I) Does the Company define a specific whistleblowing and reward system, and establish some convenient whistleblowing channel, and assign competent dedicated personnel to deal with the situation?	V		<p>The Company has established the “Operational Procedures of Channels and Protection Mechanism for Whistleblowers” to regulate the procedures for receiving and handling relevant information; the channels for whistle-blowing are disclosed on the Company's website. Depending on the cause of the report, different dedicated personnel will handle related matters.</p> <p>The whistleblower may also feed the violation of the ethical management principles back to Administration Department in writing. Administration Department shall keep the whistleblower’s identity and contents of the whistleblowing case in confidence.</p> <p>The Company takes disciplinary actions against these who violate the ethical management in accordance with the Personnel Regulations. If the offender objects the disciplinary action, he/she may appeal based on the facts. For whistle-blowers, in addition to relevant protective measures, rewards will be</p>	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			given in accordance with the Company's Personnel Regulations.	
(II) Has the company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	V		The Company's "ethical corporate management best-practice principles" and "guidelines of ethical conduct" have defined the standard operating procedure for investigation into the whistleblowing cases and related nondisclosure mechanism. No whistle-blowing incident was received in 2024.	No deviation.
(III) Does the Company adopt any measures to prevent the whistleblowers from being abused after the whistleblowing?	V		The Company has established the "Operating Procedure for Whistleblowing Channels and Protection of Whistleblowers" to define the procedure for investigation into the whistleblowing cases and related nondisclosure mechanism, and measures to protect the whistleblower.	No deviation.
IV. Enhancing Information Disclosure Does the company, on its website and on the market observation post system, disclose the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles	V		The Company discloses the Ethical Corporate Management Best Practice Principles on the Company's website and the Market Observation Post System, and discloses the relevant operations and implementation results on the Company's website. For relevant details, please refer to the disclosures in the "Operation Explanation" under the "Corporate Governance" on the Company's website.	No deviation.
V. If the Company has established its own ethical corporate management best-practice principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies," please describe its current practices and any deviations from				

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
the Best-Practice Principles: The Company's “Ethical Corporate Management Best-Practice Principles” has been passed at the directors' meeting. The Company upholds the practical management philosophy for “Simplicity & Firmness, Research & Innovation, Sustainability and Profit Sharing” pursuing constant improvement. Meanwhile, the Company establishes the fair corporate governance and risk control mechanism and creates the operating environment for sustainability based on the ethical corporate management, in order to satisfy the spirits upheld in the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies.				
VI. Other information that enables a better understanding of the Company's ethical corporate management: (e.g. review and amendments on the ethical corporate management best-practice principles established by itself). The Company's ethical corporate management and its implementation are as follows: 1. Preventive regulations: constantly monitor regulations and practical implementations, to adjust and amend relevant regulations in a timely manner. 2. Education, trainings, and promotions on ethical corporate management, procedures for handling material information, and prohibition of insider trading in 2024:				
Month	Target audience	Attendees/ hour	Method	Content and Topic
January	All directors	Nine persons	Email	The related awareness initiatives include guidance on the prohibition of trading company stock during blackout periods, the definition of blackout periods, and common issues regarding the reporting of insider shareholding changes in violation of securities regulations.
April	All directors	Nine persons	Email	Insider Shareholding Transaction Education (Definition and Scope of Insiders)
June	All directors	Nine persons	Email	1. Handbook on Regulations for Directors and Supervisors: current insider shareholding management rules, common violations in pre- and post-trade declarations, and a summary table of relevant Securities and Exchange Act regulations.

Scope of assessment					Status		Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
					Yes	No	
					2. Key regulatory matters for listed companies, directors, supervisors, and major shareholders. 3. Q&A Handbook on Insider Shareholding Transactions. 4. Relevant laws and compliance requirements regarding changes in insider shareholdings. 5. Regulatory Handbook for Independent Directors.		
	August	All directors	Nine persons 2.25hr	Meeting	Insider Shareholding Change Declaration – Briefing on TWSE Letter Wen-Tai-Cheng-Chien-Zi No. 1130402325 and related guidance.		
	November	All directors	Nine persons 2.25hr	Meeting	Insider Shareholding Transaction Handbook – Explanation and Guidance.		
	November	Managerial officers and employees	123 persons 61.5hr	Meeting	1. Briefing on handling of material internal information and procedures to prevent insider trading, whistleblower protection mechanisms, and Code of Ethical Conduct. 2. Intellectual Property Management Guidelines Awareness.		
3. Unethical incidents: No unethical incident was found during the internal audit and the CPAs’ audit in 2024, and no report of unethical incident was received.							

(VII) Other important information sufficient to enhance the understanding of the operation of corporate governance: please refer to the market observation post system (<http://mops.twse.com.tw/>) “corporate governance” area and the section “Information on the rules and regulations for corporate governance.”

(VIII) Implementation of the internal control system
1. Statement of Declaration on Internal Control



Evermore Chemical Industry Co., Ltd.

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Evermore Chemical Industry Co., Ltd.

Statement of Declaration on Internal Control System

Date: March 11, 2025

The following declaration had been made based on the 2024 self-assessment of the Company's internal control system:

- I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
- II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, a self-monitor mechanism is installed in the internal control system of the Company. The Company will make corrections once the deficiencies are identified.
- III. The Company evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the existing system continues to be effective. The criteria defined in "the Regulations" include five elements depending on the management control process: 1. environment control; 2. risk assessment; 3. control process; 4. information and communication; and 5. supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.
- IV. The Company has adopted the said criteria to validate the effectiveness of its internal control system design and execution.
- V. In accordance with the assessment result referred to in the preceding paragraph, the Company believes that the design and implementation of our internal control system (including monitoring and management on subsidiaries) as of December 31, 2024, including the achievement rate of effectiveness and efficiency of operations and reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws, are effective and may reasonably ensure the achievement of aforementioned goals.
- VI. The Statement of Declaration will be the major contents of the annual report and prospectus of

the Company and to be publicly disclosed. Any illegalities such as misrepresentations or concealments in said published contents will be considered a breach of Articles 20, 32, 171, and 174 of the Securities and Exchange Act and incur legal responsibilities.

- VII. The Statement was passed unanimously without objection by all 9 Directors present at the Board meeting dated March 11, 2025.

Evermore Chemical Industry Co., Ltd.

Chairman: Ho Wen-Chieh (seal/signature)

General manager Huang Chng-Tze (seal/signature)

2. The special internal control audit report issued by the CPA, if any: N/A.

- (IX) Important resolutions reached in the shareholder's meeting and Board meetings during the most recent year and up to the date of publication of the annual report:

1. Shareholders' meeting minutes available in 2024 and until the date of publication of the annual report:

Date		Contents	Resolutions	Status
2024/06/27 Annual General Meeting of Shareholders	Matters to be Ratified	1. Ratification of the 2023 business report and financial statements.	Passed unanimously.	-
		2. Ratification of 2023 earnings distribution plan.	Passed unanimously.	A cash dividend of NTD 49,694,000 was distributed on 2024/9/16
	Matters to be Discussed	1. Amended "Rules of Procedure for Shareholders' Meetings."	Passed unanimously.	Already implemented per the amended Rules.
	Elections	1. The Company re-elected all 9 directors (including 3 independent directors).	Passed unanimously.	Already done.
	Miscellaneous	1. Discharge of the Company's new directors and their representatives from non-competition restrictions.	Passed unanimously.	-

2. Important Board resolutions in 2024 and up to the date of publication of the annual report:

Date	Contents	Resolution
2024/01/30	1. Mega Bank short-term loan contract renewal. 2. Renewal of contract for issuance of commercial papers by Mega	Passed unanimously.

Date	Contents	Resolution
	<p>Bills Finance Co., Ltd.</p> <p>3. Establishment of the "Regulations Governing Operations in relation to Finance and Business between Related Parties"</p> <p>4. Periodically review the annual and long-term performance goals and remuneration policy, system, standard and structure for the Company's directors, supervisors and managerial officers.</p> <p>5. Motion for allocation of 2023 year-end bonus to managerial officers.</p>	
2024/03/12	<p>1. Presentation of the Company's 2023 Statement of Declaration on Internal Control System.</p> <p>2. Allocation of 2023 remuneration to employees and directors.</p> <p>3. Review on 2023 parent company only financial statements and consolidated financial statements.</p> <p>4. 2023 earnings distribution.</p> <p>5. Amendments to the "Rules of Procedure for Shareholders' Meetings."</p> <p>6. Taipei Fubon Bank short-term loan contract renewal.</p> <p>7. Making of endorsements/guarantees for Dongguan Pou Chien Chemical Co., Ltd.</p> <p>8. Loaning to TOP WELL ELASTIC TECHNOLOGY CO., LTD.</p> <p>9. Assessment on independence and competence of the attesting CPAs and their appointments and remunerations</p> <p>10. Convention of 2024 annual general meeting.</p>	Passed unanimously.
2024/05/10	<p>1. Review on 2024 Q1 consolidated financial statements.</p> <p>2. E.Sun Bank short-term loan contract renewal.</p> <p>3. Chang Hwa Bank loan contract renewal.</p> <p>4. Amendments to certain provisions of the "Rules of Procedure for Board of Directors Meetings."</p> <p>5. Amendments to certain provisions of the "Articles of Association for Remuneration Committee."</p> <p>6. Motion for review on qualifications of director candidates.</p> <p>7. Discharge of the Company's new directors and their representatives from non-competition restrictions.</p>	Passed unanimously.
2024/06/27	<p>1. Motion for election of the Chairman of Board.</p> <p>2. Motion for appointment of Remuneration Committee members.</p> <p>3. Motion for appointment of Audit Committee members.</p>	Passed unanimously.
2024/08/09	<p>1. Review on 2024 Q2 consolidated financial statements.</p> <p>2. Bank of Taiwan loan contract renewal.</p> <p>3. Appointment of the investees' directors/supervisors.</p> <p>4. Review of the 2023 Sustainability Report.</p> <p>5. Determination of record date and payment date for the 2023 earning distribution.</p> <p>6. Distribution of 2023 remuneration to directors.</p> <p>7. Managerial officers' allotment of employee remuneration for 2023.</p>	Passed unanimously.
2024/11/12	<p>1. Review on 2024 Q3 consolidated financial statements.</p>	Passed

Date	Contents	Resolution
	2. 2025 internal audit plan. 3. Guarantee/endorsement for TOP WELL ELASTIC TECHNOLOGY CO., LTD. 4. Amendments to the Operating Procedures for the Preparation of the Sustainability Report and its internal audit implementation rules. 5. Amendments to the “Articles of Association for Audit Committee”. 6. Authorization for the Chairman to Handle Short-Term Bank Loan Renewals and the Issuance of Promissory Notes. 7. Liquidation of Leadership (Shang Hai) Co., Ltd. 8. Establishment of the "Sustainable Development Committee Charter". 9. Establishment of the Sustainable Development Committee. 10. Establishment of the Risk Management Committee Charter. 11. Establishment of the Risk Management Committee. 12. Establishment of the Policy and Procedures for Risk Management. 13. Amendments to the “Corporate Governance Best-Practice Principles.” 14. Amendments to the "Board Meeting Rules of Procedure". 15. Amendments to the "Sales and Collection Cycles" 16. Amendments to the "Computerized Information System Cycles”. 17. Amendments to the “Financing Cycle” and its internal audit implementation rules. 18. Review of 2025 budget.	unanimously.
2025/01/23	1. Amendments to the "Computerized Information System Cycle" and its internal audit implementation rules. 2. Amendments to the Purchase and Payment Cycle and its internal audit implementation rules. 3. Periodically review the annual and long-term performance goals and remuneration policy, system, standard and structure for the Company’s directors, supervisors and managerial officers. 4. Motion for allocation of 2024 year-end bonus to managerial officers.	Passed unanimously.
2025/03/11	1. Issuance of the Company’s 2024 Statement of Declaration on Internal Control System. 2. Allocation of 2024 remuneration to employees and directors. 3. Review on 2024 parent company only financial statements and consolidated financial statements. 4. 2024 earnings distribution. 5. Amendments to “Articles of Association”. 6. Short-Term Loan Credit Facility with CTBC Bank Co., Ltd. 7. Making of endorsements/guarantees for Dongguan Pou Chien Chemical Co., Ltd. 8. Loaning to TOP WELL ELASTIC TECHNOLOGY CO., LTD.. 9. Assessment on independence and competence of the attesting CPAs and their appointments and remunerations	Passed unanimously.

Date	Contents	Resolution
	10. Convention of 2025 annual general meeting.	

- (X) The main contents of important resolutions passed by the Board of Directors regarding in which directors in which directors have voiced differing opinions on the record or in writing, during the most recent year and up to the date of publication of the annual report: None.

IV. Information about External Auditor's Professional Fee:

Unit: NTD thousand

Name of Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees (Note)	Total	Remark
Deloitte Taiwan	Chiang Shu Ching	2024/01/01-2024/12/31	3,435 thousand	200 thousand	3,635 thousand	
	Su Ding-Jian	2024/01/01-2024/12/31				

Note: The non-auditing fees refer to those for tax certification.

- (I) Replacement of the CPA firm and reduction in audit fees paid during the year of replacement compared with the previous year:
N/A.
- (II) The audit fees decreased by more than 10% compared with the previous year: None.
- (III) The assessment report on independence of the external auditor certifying the Company's financial statements:
In accordance with the "Regulations Governing Assessing the Independence and Suitability of Certified Public Accountants" and with reference to the Audit Quality Indicators (AQIs) of the accounting firm, the independence and suitability of CPAs are evaluated as follows. Related assessment information was deliberated by the Audit Committee, and reported to the board of directors for resolution on March 12, 2024.
The key assessment items are as follows:

Item No.	Scope of Assessment	Yes	No	Remark
1.	Do the CPAs act as the Company's external auditors for no more than 7 years consecutively?	V		
2.	Do the CPAs not collect any related commission?	V		
3	Do the CPAs not hold any shares in the Company?	V		
4.	Do the CPAs not hold any regular position in the Company with fixed pay concurrently?	V		
5.	Do the CPAs not co-invest or share profit with the Company?	V		
6.	Do the CPAs not hold the position as directors, supervisors or managerial officers or any position that might affect the audited cases materially in the Company, currently or within the most recent two	V		

	years?			
7.	Are the CPAs not the relatives of the Company's directors, supervisors or managerial officers, or staff holding the position that might affect the audited cases materially?	V		
8.	Does the audit service team satisfy the criteria about independence referred to in Statement No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China?	V		Statement of Declaration
9.	Is the review or audit report completed within the agreed time limit?	V		
10.	Does the audit report guarantee specific accuracy?	V		
11.	Does the CPAs pose positive suggestions against the Company's management system and internal control audit, and are the same recorded?	V		
12.	Do the CPAs provide the Company with the information about update and amendments to laws & regulations and relevant training courses voluntarily?	V		
13.	Do the CPAs help the Company communicate and coordinate with the competent authority?	V		

Date of Assessment: March 12, 2024

Assessment Outcome: ☒ In line with ☐ Not in line with the independence and suitability of CPA

V. Information on replacement of CPAs: The Company has replaced CPAs in the most recent two years.

(I) About the former CPA

Date of replacement	Q1 2023		
Cause and Remarks	Due to the internal rotation within Deloitte Taiwan, the Company has adjusted its external auditors from Tai Hsin-Wei and Su Ding-Jian to Chiang Shu-Ching and Su Ding-Jian, since Q1 2023.		
To specify whether the client or CPA terminates or rejects	Principal Circumstances	CPA	Client
	Terminate the		
	No longer accept		
Issuance of the audit report other than the audit report containing unqualified opinions in the most recent two years, and cause thereof	None.		

Disagree with the Company?	Yes		Accounting principles or practices
			Disclosure of financial report
			Scope or steps of audit
			Others
	No		
	Description		
Other disclosures (To be disclosed under the subparagraphs 6.1(4)~(7) of Article 10	N/A.		

(II) Information Regarding the Successor CPAs

Name of CPA Firm	Deloitte Taiwan
Name of CPA	Chiang Shu-Ching, CPA and Su Ding-Jian, CPA
Date of appointment	Passed by the Board of Directors on January 18, 2023
Consultation about the accounting treatment of or application of accounting principles to a specific transaction and the type of audit opinion that might be rendered prior to the formal engagement	None; N/A.
Written opinion from the succeeding CPA regarding the matters disagreed	None; N/A.

(III) The former CPA's response to the items referred to in the subparagraphs 5(1) and (2)3 of Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: N/A.

- VI. Name of CPAs Firm or its affiliates in which the Company's Chairman, president, financial or accounting manager is an employee over the past year: None.
- VII. Any transfer of equity interests and pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent year and until the date of publication of the annual report:
1. Directors, supervisors, managers and major shareholders' equity changes

Job title	Name	2024		2025 up to March 31	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Ho Wen-Chieh	0	0	0	0
Director	Aica Kogyo Company Limited	0	0	0	0
	Representative: Omura Nobuyuki	0	0	0	0
	Representative: Mori Yosuke	0	0	0	0
	Representative: Nishino Go	0	0	0	0
	Yue Dean Technology Corporation	0	0	0	0
	Representative: Hung Chi-Chih (Assumed office on 2024/6/27, dismissed on 2025/01/22)	0	0	0	0
	Representative: Li, Yu-Chi (Elected on February 17, 2025)	0	0	0	0
Independent director	Higashiyama Mikio	0	0	0	0
Independent director	Chueh Liang-Wu (Dismissed on 2024/6/27)	0	0	0	0
Independent director	Chen Chun-Cheng (Dismissed on 2024/6/27)	0	0	0	0
Independent director	Chen Wan-Yu (Elected on 2024/6/27)	0	0	0	0
Independent director	Su I-Hsiu (Elected on 2024/6/27)	0	0	0	0
Director/President	Huang Chng-Tze	0	0	0	0
Group Vice President	Lee Ching-Song	0	0	0	0
Assistant Vice President	Wang Shih-Chieh	0	0	0	0
Financial Manager	Wu Pao-Hua	0	0	0	0
Accounting Manager	Chen Hsiang-Li	0	0	0	0
Manager	Pin-Chung Chen	0	0	0	0

2. Where the counterparty of equity transfer or equity pledge is a related party, relevant information shall also be disclosed: None, and thus not applicable.

VIII. Information on the relationship of the ten largest shareholders, related parties, spouse, or relative within the second degree of kinship:

March 31, 2025

Name	Shareholdings by oneself		Shares held by spouse or underage children		Total shares held in the names of others		Disclosure of information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names or designations, and relationships		Remark
	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Designation (or name)	Relationship	
Aica Kogyo Company Limited	49,793,388	50.10%	0	0	0	0	None.	-	-
Aica Kogyo Company Limited Representative: Omura Nobuyuki Representative: Mori Yosuke Representative: Nishino Go	0	0	0	0	0	0	None.	-	-
Ho Wen Chieh	7,003,532	7.05%	1,905,657	1.92%	0	0	Li Tsui Chu	Spouse	-
Ho Chi Lin	4,500,000	4.53%	0	0	0	0	Ho Wen Chieh	Child	-
Ho Han Jen	4,500,000	4.53%	3,000	0	0	0	Ho Wen Chieh	Child	-
Pou Chien Enterprise Co., Ltd. Chairman: Wu Huei-Chi	2,343,771	2.36%	0	0	0	0	None.	-	-
Liu Wei Tung	2,255,412	2.27%	88,574	0.09%	0	0	None.	-	-
Lu Hui Pin	2,196,193	2.21%	2,647	0.00%	0	0	None.	-	-
E.SUN Commercial Bank in custody of Employees' Stock Option of Evermore Chemical Industry Co., Ltd.	2,001,338	2.01%	0	0	0	0	None.	-	-
Li Tsui Chu	1,905,657	1.92%	7,003,532	7.05%	0	0	Ho Wen Chieh	Spouse	-
Yue Dean Technology Co., LTD.	1,786,760	1.80%	0	0	0	0	None.	-	-

IX. The number of shares held by the Company, its directors, supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company on the same investee and also, the consolidated comprehensive shareholding ratio: None.

Three. Information on Capital Raising

I. Capital and Shares

(I) Source of share capital

Year/Month	Issue price	Authorized capital stock		Paid-in capital stock		Remark					
		Quantity of shares	Amount	Quantity of shares	Amount	Source of capital	Offset by any property other than cash	Effective date	Doc. No.	Amount	Others
May 1989	NT\$10	600,000	6,000,000	600,000	6,000,000	Own capital	None.	-	Initial capital at the time of incorporation	6,000,000	None.
October 2006	NT\$13.25	120,000,000	1,200,000,000	89,700,000	897,000,000	Cash capital increase by private placement	None.	October 18, 2006	Jing-Shou-Shang-Zi No. 09501234720	100,000,000	None.
August 2008	NT\$10	120,000,000	1,200,000,000	93,288,000	932,880,000	Recapitalized from earnings	None.	August 20, 2008	Jing-Shou-Shang-Zi No. 09701207050	35,880,000	None.
November 2011	NT\$10	120,000,000	1,200,000,000	91,788,000	917,880,000	Cancellation of treasury shares Capital decrease	None.	November 24, 2011	Jing-Shou-Shang-Zi No. 10001268740	-15,000,000	None.
March 2013	NT\$13.87	120,000,000	1,200,000,000	102,388,000	1,023,880,000	Cash capital increase	None.	March 13, 2013	Jing-Shou-Shang-Zi No. 10201045750	106,000,000	None.
February 2015	NT\$10	120,000,000	1,200,000,000	99,388,000	993,880,000	Cancellation of treasury shares Capital decrease	None.	February 26, 2015	Jing-Shou-Shang-Zi No. 10001268740	-30,000,000	None.

Note: Only the information about the capital at the time of incorporation and for the most recent five years is available.

Type of share	Authorized capital			Remark
	Outstanding (Note 1)	Unissued	Total	
Common shares	99,388,000	20,612,000	120,000,000	-

Note: 1. The stock refers to stock traded on TWSE.

2. Information relevant to the aggregate reporting policy: None.

(II) List of major shareholders

Shareholders with a stake of 5 percent or greater or top ten shareholders: March 31, 2025

Name of Major Shareholder	Shares held	Shareholding
Aica Kogyo Company, Limited	49,793,388	50.10%
Ho Wen Chieh	7,003,532	7.05%
Ho Chi Lin	4,500,000	4.53%
Ho Han Jen	4,500,000	4.53%
Pou Chien Enterprise Co., Ltd.	2,343,771	2.36%
Liu Wei Tung	2,255,412	2.27%
Lu Hui Pin	2,196,193	2.21%
E.SUN Commercial Bank in custody of Employees' Stock Option of Evermore Chemical Industry Co., Ltd.	2,001,338	2.01%
Li Tsui-Chu	1,905,657	1.92%
Yue Dean Technology Co., LTD.	1,786,760	1.80%

(III) Dividend policy and implementation thereof

1. The Company's dividend policy:

If there are surpluses in the Company's final accounts, taxes and accumulated losses shall be paid out of such surpluses first, 10% of them shall be set aside as statutory surplus reserves, a provision for or reversal of special surplus reserves shall be made according to law, with the balance of such earnings (if any) paid to shareholders as dividends after a resolution is adopted at the general meeting.

The Company is engaged in the manufacture and sale of PU resin. It is a technology-intensive, mature and profitable chemical industry. Due to the need for technological upgrading, it is possible for the Company to expand its factories in the next few years. With reference to the remaining dividend policy and to the extent meeting optimal capital budget and the requirements for dilution of earnings per share, the annual surpluses allocated per year account for at least 50% of the surpluses available for distribution in principle, when dividends are declared to shareholders, the proportion of cash dividends shall not be less than 25%.

2. Implementation thereof:

The dividend proposed to be distributed at the shareholders' meeting satisfies the Company's dividend policy:

	_____ allocated per share (NT\$)	Source
Cash dividend	0.8	Undistributed earnings
Total	0.8	*

3. Expected significant changes in the dividend policy: None.

(IV) The effects of stock bonus proposed at this general shareholders' meeting on business performance and earnings per share: N/A.

(V) Remuneration to employees and directors

1. The percentages or ranges with respect to remuneration to employees and directors, as set forth in the Company's Articles of Incorporation

If the Company makes profits in the year, 3% to 5% of the profits shall be reserved to pay

employee remuneration and no more than 2% of the profits reserved to pay director remuneration. However, if the Company has accumulated losses, the profits shall be reserved in advance to cover the losses.

2. The basis for estimating the amount of remuneration to employees and directors for calculating the number of shares to be distributed as the remuneration to employees, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
 - (1) The basis for estimating the amount of remuneration to employees and directors for the current period:

Based on the percentages resolved by the Board of Directors or defined under the Articles of Incorporation (at 3%~5% and 2%)
 - (2) The basis for calculating the number of shares to be distributed as the remuneration to employees:

The operating costs or operating expenses for the current year were stated based on the closing price applicable on the date preceding to the date of resolution made by the shareholders' meeting and by taking the ex-right and ex-dividend factors into account.
 - (3) The accounting treatment if the actual distributed amount differs from the estimated amount:

The significant changes in the amount distributed per resolution made by the Board of Director prior to the date of approval and publication of the annual financial statements, if any, were stated as the initial annual expenses, while the changes in the amount after the date of approval and publication of the financial statements should be treated as the changes in accounting estimates and stated in next year.
3. Allocation of remuneration passed by the Board meeting:
 - (1) According to the motion for allocation of 2024 remuneration passed by the Board meeting on March 11, 2025, the remuneration to employees should be NT\$6,468,612 thousand and the remuneration to directors NT\$2,587,444 thousand, both to be allocated in cash. There is no difference between the amount resolved by the Board of Directors and the amount estimated in the year the expense was recognized.
 - (2) No remuneration to employees was allocated in the form of stock.
4. Actual allocation of remuneration to employees and directors in the previous year:

(1) The actual allocation of remuneration to employees and directors in 2023:

Unit: NT\$

Item	Initial motion for allocation passed by the Board meeting	Actual allocation	Variance
Remuneration to employees	4,975,204	4,975,204	-
Remuneration to directors	1,990,081	942,526	1,047,555

(2) If there is a discrepancy between the remuneration of the recognized employees and directors, please specify the difference, reason and handling situation: The difference between the remuneration of the directors belongs to the remuneration of the directors who should be paid to directors Aica Kogyo Company, Limited. Since the director voluntarily renounced the collection, the company has transferred to other income.

(VI) Repurchase of the Company's shares: None.

II. Status of corporate bond: None.

III. Status of preferred stock: None.

IV. Status of overseas deposit receipts: None.

V. Status of employee stock option certificates: None.

VI. Status of issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VII. Implementation of capital utilization plan: None.

Four. Overview of Operations

I. Descriptions of business

(I) Scope of business

1. Major lines of business:

Synthetic Resin and Plastic Manufacturing; Industrial and Additive Manufacturing; Manufacture of Resin and Adhesive for Synthetic Leather, Cloth, Sheets, Pipes and Tubes; Other Chemical Materials Manufacturing; Other Chemical Products Manufacturing; Wholesale of Industrial Catalyst; Wholesale of Chemical Feedstock; Wholesale of Other Chemical Products; International Trade; All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Relative weight of each business line:

Type of product	% of consolidated operating revenue
PU synthetic resin	79%
PE resin	4%
Other products	17%
Total	100%

3. Current products of the Company:

- | | |
|---|---|
| A. PU resin for synthetic leather | J. Waterborne PU dispersion |
| B. PU resin for textile sizing and lamination | K. Surface treatment agents. |
| C. PU resin for split leather. | L. PU foam system material for shoe materials |
| D. Polyester polyol | M. Food packaging composite film adhesive |
| E. General/low free monomer bridging agent | N. reactive PU hot melt adhesive |
| | O. Light curing monomer, oligomer and system products |
| F. Non-yellowing grade crosslinker | P. Polymer polyester plasticizer |
| G. PU resin for printing ink. | Q. Other foundry products. |
| H. TPU plastic pellets | R. Building materials coatings |
| I. Waterproof and moisture PU resin. | |

4. New products planned for development:

In 2025, the Company will continue to support the United Nations Sustainable Development Goals (SDGs) and further increase the proportion of environmentally friendly and high value-added products.

A. SDG3 good health and well-being:

- Developed a specialized polyurethane-based pressure-sensitive adhesive with high barrier properties and antibacterial characteristics for medical waste packaging, aiming to reduce the risk of pathogen dispersion during medical waste processing and enhance medical hygiene and safety.
- Developed high-performance, low-allergenic thermoplastic polyurethane (TPU) film materials for medical applications, particularly in medical mattresses, to improve product durability and user comfort.

3. Developed high-performance, low-allergenic thermoplastic polyurethane (TPU) film materials for medical applications, particularly in medical mattresses, to improve product durability and user comfort.
- B. SDG 8 decent work and economic growth:
1. Developed high-efficiency UV-curable acrylate coatings to enhance production speed and product quality.
 2. Advanced specialized UV-curable monomer technology to support high-performance applications.
 3. Developed UV-curable solder mask inks specifically for flexible and automotive printed circuit boards (PCBs), expanding into the field of electronic materials.
- C. SDG 9 industry, innovation and infrastructure:
1. Developed polyurethane materials suitable for electrospinning technology to promote the application of new materials.
 2. Researched and developed low-free, high-stability, non-yellowing crosslinking agents to improve industrial process safety.
 3. Further optimized 3D printing UV-curable resins to enhance printing precision and durability.
- D. SDG 11 sustainable cities and communities:
1. Developed thermoplastic polyurethane resins specifically for fire hoses to enhance safety and durability.
 2. Developed solvent-free adhesives for aluminum foil or metallized film applications to reduce environmental pollution.
- E. SDG 12 responsible consumption and production:
1. Develop thermoplastic polyurethane (TPU) materials with a high recycled content, certified under GRS and RCS standards.
 2. Launch high-durability polycarbonate-based polyurethane coatings to extend the service life of textiles.
 3. Expand the development and application scope of fully recycled supercritical nitrogen-foamed TPU materials for footwear.
 4. Promote the use of recycled PET in polyurethane coatings for textile applications.
 5. Develop solvent-free polyurethane systems for soft footwear materials to reduce VOC emissions.
- F. SDG 13 climate action:
1. Promote bio-based polyurethane technologies to reduce carbon footprint.
 2. Develop chemical degradation technologies to facilitate material circularity.
 3. Develop polyester polyols certified under the International Sustainability and Carbon Certification (ISCC) to support low-carbon transition.
- G. SDG 15 life on land:

1. Develop high-performance adhesives for engineered wood products derived from forest resources, supporting the sustainable use of timber.

The Company aims to increase the sales ratio of SDG-aligned products to over 50% through the aforementioned R&D initiatives, thereby strengthening its market presence in sustainable materials.

(II) Overview of the industry:

1. Overall economic situation for 2024:

In 2024, the global economy experienced a slow recovery. Inflation gradually eased, and trade activities showed modest growth. However, geopolitical conflicts and instability continued to impact regional stability. In addition, rising trade protectionism disrupted global supply chains, leading to a lack of strong growth drivers and resulting in a sluggish global economic expansion.

As one of the world's major economies, China faced significant post-pandemic economic challenges in 2024. Economic "involution" intensified, with annual GDP growth recorded at 5.0%, down 0.2% compared to 2023. This reflects a sluggish recovery in the manufacturing sector, which in turn dampened overall consumer spending. In the Eurozone, weak demand and increased political uncertainty contributed to a mild recession. In contrast, Taiwan's manufacturing sector showed polarized performance. High-end semiconductor processes and server production benefited from the AI-driven demand boom, while traditional manufacturing sectors experienced limited demand and a very slow recovery.

Looking ahead to 2025, several key factors will influence global economic performance: 1. Inflation Risks Remain: Although inflation has moderated, it has not been fully resolved. With former U.S. President Donald Trump's re-election, new tariff and trade war measures may be implemented, potentially driving up commodity and labor costs. Inflationary pressures remain a concern; 2. Labor Market Resilience and Risks: While global unemployment rates gradually declined by the end of 2024, the potential for a rebound remains, depending on political developments and policy changes around the world; 3. Structural Market Shifts: A highly volatile environment demands more flexible and adaptive strategies to navigate changes effectively. Agility in operational strategy and strong risk management capabilities will be critical to success in 2025.

2. Related industries in 2024:

PU upstream raw materials:

In 2024, ongoing geopolitical unrest — including the Russia-Ukraine war and the Israel-Hamas conflict — continued to impact global stability. Although inflationary pressures gradually eased, China's ongoing expansion of chemical raw material production capacity resulted in persistent oversupply in upstream raw materials. As a result, prices remained low and stable. However, due to the slow recovery of end markets, the rebound in raw material demand was limited. It is anticipated that the beginning of 2025 will continue to see price competition and aggressive market capturing through low raw material pricing.

Downstream segment of the industry:

Despite demand from the semiconductor and AI sectors in 2024 are strong, the recovery in traditional downstream industries related to polyurethane (PU) remained sluggish. Although inflation showed signs of moderation, global consumer spending stayed tight. As such, operations in downstream segments related to PU and ultraviolet (UV) materials are expected to remain challenging in 2025.

3. Looking ahead to 2025, persistent geopolitical conflicts and warfare, the return of U.S. President Donald Trump and his push for protectionism through high tariff barriers under an “America First” approach, ongoing cross-strait tensions with limited signs of improvement, the expected weakness in China’s economic recovery, as well as inflationary pressures that, while easing, remain unresolved, all contribute to heightened uncertainty. Moreover, the intensifying and prolonged U.S.-China rivalry is expected to remain one of the most critical factors directly impacting the trajectory of the global economy. Taiwan, as an export-oriented economy and a major importer of PU and UV raw materials, will see its economic development in these sectors heavily influenced by international developments in 2025. In 2025, climate change, global warming, and related environmental concerns will continue to drive critical policy momentum, with initiatives such as recycling, energy conservation, carbon reduction, and ESG practices becoming increasingly mainstream. The implementation of the EU carbon tax further intensifies the urgency for companies to not only develop but also accelerate the deployment of sustainable in 2025 and compliant products to align with global trends. At the same time, due to severe economic involution in China, Chinese chemical products are aggressively competing in overseas markets through low-price strategies. To navigate these challenging external economic conditions, the development, production, and marketing of differentiated, niche-oriented products have become an essential strategy. Given the continuing changes in the economic structure of the Asian region, past reliance on mainland China has been clearly shifted to the South East Asia region, due to the de-sinicization implemented in the world. The South East Asian region should be more active with the launch of Taiwan’s New Southbound Policy. Evermore will invest more resources in Vietnam, Thailand, Indonesia, India and other countries from 2025 onwards to obtain greater profitability, efficiency and output.

Since AICA Group invested in Evermore at the beginning of 2018, the two parties have maintained close communication and deepened collaboration, resulting in significant and tangible profitability. Evermore’s products, such as low-free isocyanate curing agents, specialty non-yellowing curing agents, reactive PU hot melt adhesives for building material lamination, and UV-curable monomers and oligomers, have effectively filled gaps in AICA Group’s product offerings for building materials, flooring, industrial coatings, and automotive sectors. These products have been successfully integrated into AICA’s sales channels across Japan, South Korea, Mainland China, and Vietnam. In 2025, the Company plans to further concentrate R&D resources on strategically targeted products. In addition, Evermore introduced AICA’s building coating products to the Taiwanese construction market in 2024 with successful market penetration. Going forward in 2025, the Company will focus on group synergies through the development and sales of products for blue ocean markets, aiming to further enhance overall group profitability.

In response to the growing ESG movement, Evermore will place even greater emphasis in 2025 on the research and development of green products that align with environmental, energy-saving, carbon reduction, and recycling policies. The company will continue to support customers in meeting environmental regulatory requirements by

adjusting the solvent types and reducing the amount used in solvent-based PU resin formulations. Building on existing sales achievements, Evermore aims to further expand its market reach. Additionally, the company will strengthen its efforts in the development and promotion of solvent-free PU systems, reactive polyurethane hot melt adhesives, water-based PU dispersions, TPU granules, and UV-curable products—enhancing product quality and market applications to maintain a stable market share and advance toward the goal of sustainable operations.

(III) Overview of technology and R&D:

1. R&D expenses already invested during the most recent year and until the date of publication of the annual report:

Item	2024	January - March 2024
Consolidated R&D expenses (NTD thousand)	66,071	14,974
% of consolidated operating revenue (%)	2.50%	2.39%

The Company upholds the management philosophy of research and innovation, continues to invest in R&D resources, and takes into account the environmental protection and carbon reduction issues in product development and process design.

2. The technologies or products developed successfully:

A. Sports sector

- i. The Company has successfully used the recycled materials made from biomass to achieve the low-carbon, sustainable, and environmentally friendly materials for the shoes, and was certified for the ISCC.
- ii. Use of carbon capture and utilization technology (CCU) to develop lightweight, lightweight, and textile-coated materials for light weight and to improve environmental protection benefits.
- iii. Development of ultra-lightweight bicycle seat cushion using supercritical nitrogen foaming technology

B. Industrial sectors:

- i. Small package moisture reactive heat-melting adhesive for woodworking
- ii. The Company successfully injects TPU into the injection molding of international brands' hand tools, and has it tested and mass-produced.
- iii. The Company has successfully developed the polyimide (TPU) film materials and passed the customer test and certification to ensure market feasibility.

C. Green materials:

- i. Polyurethane midsole materials for low-carbon sports shoes developed based on raw materials derived by carbon capture technology.
- ii. Utilization of recycled PET to re-make polyester polyol for waterproof and moisture-permeable PU textile coating.

- iii. Develop the adhesive made of wet air and hard air, and enhance the value of PET application.
- iv. Benzene-free and ketone-free ink carrier.
- v. The Company has successfully promoted the technology of light solidification on the waste water-free paper to achieve eco-friendly production.
- vi. Use of biomass materials to develop polyester polyol technology, in order to further reduce carbon footprint.
- vii. Development of MEKO-free end-sealed PU bridging agent, in order to improve the eco-friendliness of products.

D. High-value added materials:

- i. Successful mass production of special anti-yellowing bridging agent, and successful introduction of such product to the high-quality demand market.
- ii. Development of low-chroma and high-stability solder mask light-curing resin for PCBs, in order to head towards the development of electronic materials.

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

1. Short-term plan:

According to product applicability and attributes, it is divided into five categories of products: PUR /CLA/PUS/TPU/UV/PE:

A. PUR:

Evermore has long leveraged its strengths in R&D, technological innovation, and responsive customer service to foster close and in-depth collaborations with downstream end users. In light of rising environmental demands and the global push for energy conservation and carbon reduction, Evermore continues to deliver market-leading products that align with environmental, low energy consumption, carbon reduction, and recycling policies of both customers and governments. This proactive approach enables the company to form mutually beneficial and sustainable partnerships with clients.

Through its extensive portfolio of products accumulated over the years, Evermore has steadily expanded its market reach beyond core regions such as Taiwan, China, and Vietnam, into emerging markets including Thailand, India, Indonesia, Japan, and Europe. This strategy helps mitigate geopolitical risks while enhancing overall operational profitability.

In response to growing environmental demands, Evermore is increasing its investment in research, development, and business expansion of eco-friendly, high-margin blue ocean products, including environmentally friendly solvent-based, water-based, and solvent-free systems. These efforts aim to boost market penetration and enhance overall operating profit.

In addition, Evermore is deepening its collaboration with AICA to expand sales of solvent-free PUR adhesives for construction materials in Japan and Korea, further boosting revenue and profitability.

B. CLA:

Following the rise of competing crosslinker manufacturers in China and intensified price competition with established German producers, Evermore's general-grade and low-free crosslinkers have lost their competitive edge in the Chinese market. In response, the company has restructured its sales strategy by reducing reliance on distributors and increasing direct sales to end customers to preserve profitability. Additionally, Evermore is shifting its sales focus to alternative markets in order to sustain profit margins. Meanwhile, the Company will continuously enhance the deeper development of the special chemical products, such as non-yellowing hardener, in order to increase the sales percentage of non-yellowing hardener and improve the profit sought by the entire CLA products. In addition, through the cooperation with AICA, we have stabilized the sales of CLA and special CLA in Japan and Indonesia. This diversifies the risk of having a single market where sales were previously concentrated in China.

C. PUS:

Increase the involvement in, and seize, the business opportunity as the brand is valuing the application of PU to sport shoes increasingly; enhance the cooperation with the top brands, such as Nike, Adidas, Converse, and Ortholite, improve PU functionality, and work with OEM shoe factories to improve the processing process and provide corresponding products, in order to continue soliciting orders stably. In addition, the Company is increasing R&D and sales efforts in the flexible and rigid polyurethane (PU) system materials market for non-footwear applications. By diversifying the application scope of PU products, the Company aims to reduce dependence on the footwear sector, mitigate risks, and enhance overall operational profitability.

D. TPU:

The Company has long cultivated the Taiwan end-user market, establishing strong relationships with key local customers. Through customized services tailored to meet the specific needs of end-users, the Company continues to develop and promote high value-added TPU products, thereby enhancing sales profitability. Improve the market share of TPU for tube materials in Taiwan. Meanwhile, develop the TPU products for TPU of shoe-injection grade, calendaring/T-DIE and sales thereof, in order to increase the sales volume of TPU in different application fields, thereby increasing revenues and operating profitability. In addition to traditional injection molding and extruded pipe TPU products, the Company has also developed advanced, market-leading products such as polyether-hydrolysis-resistant TPU and supercritical foam. In 2025, efforts will be intensified to promote these products in the market, providing end-users with innovative solutions essential for their future transformation and upgrades.

E. UV:

The Company will maintain its traditional sales of UV monomers and oligomers, continuing to focus on core markets such as Taiwan, China, Japan, Vietnam, and Thailand. In addition, efforts will be strengthened to expand the sales of full-coating and spot-coating products for screen printing in other overseas markets, including Indonesia, the Philippines, Egypt, and South Korea. Meanwhile, we strategically work with AICA

and various subsidiaries to shift the traditional UV products to the fine chemicals for vehicles, medical devices and 3C products to the increase in business profit.

F. PE:

Leveraging its long-standing experience in the synthesis and mass production of polyester polyols (PE), the Company supplies PE products to industry peers with relevant demand to increase revenue and enhance production utilization rates. Additionally, through advanced PE synthesis technology, the Company has developed high molecular weight polyester plasticizers, which have gained recognition from end customers in recent years, leading to a steady increase in sales volume of these plasticizer products.

2. Long-term plan:

In response to extreme climate changes, emphasis of environmental awareness, and ESG have become a necessary conditions for corporate governance. The demand for green products such as energy saving, carbon reduction, environmental protection, and recycling for reuse has become the inevitable work for the chemical industry. EVERMORE uses the polyurethane-related basic chemical reactions as its essential core competence and pillar, to conduct the organizational carbon inventory; the inventory of Scope 2 has been completed, and is now progressing to the complete inventory of Scope 3 gradually as required by the government, in order to respond to and adjust product formulas and combinations actively and rapidly, in line with the market demand and expectation. The Group also continues to deepen the cultivation of the two major business lines, namely green PU synthetic resin products and coatings, and also launch into the industries of construction, 3C, optics, medical devices and automobiles based on the basic core competence, step by step.

Continue to root in Taiwan and increase involvement in Taiwan. With Taiwan as the Group's R&D center, and guided by the values of simplicity, integrity, resilience, and determination, the Company actively collaborates with industry, government, academia, and research institutions. By continuously introducing innovative technologies and partnering with key stakeholders, the Company is committed to pioneering and promoting next-generation eco-friendly manufacturing processes and products, aiming to become a sustainable green supply chain provider in the Asia-Pacific region.

- A. Deepen the cooperation with AICA to expand the sales of products in the Japanese and Korean high-end market to maximize the Group's common interest.
- B. Continue to research and develop the eco-friendly and low energy-consumption process, biomass and carbon-reduction products in line with the market trend and in order to secure the leading position.
- C. Workers' safety is the first priority. We will continue to refine the production process and fulfill corporate social responsibilities.
- D. Increase sales and development in North East Asia, South East Asia, Mid East, Europe and America to diversify risks from a single market.

II. Production and marketing situation

(I) Market analysis:

1. Territories where main products are marketed:

EVERMORE is a fine chemical and synthetic resin manufacturer specialized in PU and related products. The Company keeps adjusting its operating structure and transforming the development, in response to the ever-changing market, industry and environment now. The Company has achieved positive development in diversity of products or expansion of application fields and sales regions to keep the Company's sustainability.

The sales value and domestic marketing/export of the Company's products during the most recent two years (%):

Unit: NTD thousand				
Territory \ Amount	2023		2024	
	Sales value	%	Sales value	%
Domestic	869,047	37%	1,041,802	39%
China	651,003	27%	594,531	23%
Others	847,462	36%	1,009,758	38%
Total	2,367,512	100%	2,646,091	100%

2. Market share, future market demand and supply, and market's growth potential:

(1) Market share:

Evermore Chemical's product sales have remained diversified, consistently expanding across various industries and regions. Its downstream applications span numerous sectors and geographical markets. Although the overall demand for PUR products has been subdued due to the economic downturn in related Taiwanese industries, Evermore has maintained a solid presence in the local market through its long-term commitment to in-depth operations in Taiwan, achieving a market share of approximately 26%. Meanwhile, PUR product sales have steadily expanded into overseas markets, including Vietnam, India, Japan, South Korea, and Europe, contributing to the overall sales growth. As for crosslinking agents (CLA), Evermore remains one of the leading producers in Taiwan. Although low-priced Chinese products have gradually penetrated the Taiwanese market, Evermore continues to hold a strong competitive position, maintaining an estimated market share of around 35% for CLA products in Taiwan. Evermore is one of the few manufacturers in Taiwan producing polyurethane system materials (PUS) for footwear foam applications. As most footwear manufacturing contractors have their R&D centers based in Taiwan while their production facilities are located overseas, Evermore works closely with brand owners to develop customized polyurethane systems tailored to their specific needs and provides these materials to overseas production plants. In response to the growing global awareness of environmental sustainability, the demand for environmentally friendly solvent-free thermoplastic polyurethane (TPU) continues to rise. Industry competitors are also actively expanding their TPU production capacities. Leveraging its longstanding cultivation of the Taiwan market, Evermore maintains a significant market share in both the extrusion tubing and

injection-molded components segments, with an overall domestic TPU market share of approximately 22%. As for the development of UV light curing products, the Company's main suppliers in Taiwan include the manufacturers such as Eternal Chemical, Qualipoly Chemical and Covestro. Besides, there are many foreign manufacturers, in particular, the Chinese and Korean manufacturers are taking the market with low prices. The market share of Evermore's UV-curable products is about 12%.

(2) Future market demand and supply, and market's growth potential:

Evermore Chemical's polyurethane (PU) and UV-curable products are closely linked to consumer goods in their end applications. Although global inflation pressures eased in 2024, consumer spending remained subdued, leading to significantly reduced demand. While a slow recovery began in the second half of 2024, the market is expected to continue its gradual rebound into 2025. In the first half of 2025, Evermore Chemical will continue to actively secure orders based on end-market demand to optimize production utilization, increase revenue, and enhance overall group profitability. At the same time, the company will intensify efforts to promote its products across different countries and actively expand the development and sales of high-value green products. This strategic approach aims to meet the growing demand for environmentally friendly products across various sectors in the second half of 2025, thereby gradually advancing the company's sustainable transformation and long-term development.

3. Competitive niche

- (1) Integration of key raw materials is high, and the scale of Evermore is larger than others in the same industry, which increases our purchasing advantages through the Group purchasing.
- (2) We have long-term experience of 36 years in R&D, production, sales, and technical services, and have established deep partnerships with customers; customer satisfaction is very high.
- (3) A wide variety of green products, such as solvent-free materials and UV-curable products, enabling the Company to better meet environmental requirements of customers;
- (4) Continue to invested lots of resources in R&D teams to strengthen innovation capabilities and respond effectively to the dynamic needs of the industry;
- (5) We have experience in OEM with major international factories for a long time; professional technology, production and management, and effective cost control improve competitiveness.
- (6) The product diversity and various applications in different fields might are relatively resilient to any material impact posed by negative factors in a single market environment.

4. Analysis on positive and negative factors for future development and responsive measures:

(1) Positive factors:

- A. Evermore's products are more diversified than the industry peers', and its downstream application industries are widely distributed and operational risk is relatively low.
- B. As environmental protection becomes a prominent global trend, revenue from green

products such as energy-saving, environmentally friendly, and solvent-free products has been increasing year by year, aligning with current international trends.

- C. The sales offices in Southeast Asia (Vietnam, Thailand, India, etc.) and Northeast Asia have proven effective, helping to diversify the group's operational risks.
- D. The group's investment business has shifted from traditional consumer chemicals to construction coatings and precision coating applications, which can generate higher profit contributions.
- E. Extensive cooperation with AICA has already produced benefits in Japan, Korea, and Southeast Asia, with ongoing efforts to promote and sell new products in new markets.

(2) Negative factors:

- A. Economic Downturn in China and Intensified Market Saturation Leading to a Harsh Operating Environment:

Following the inauguration of U.S. President Donald Trump, the already sluggish with involution Chinese economy faced further pressure from heightened tariff barriers, exacerbating the supply-demand imbalance in China's chemical industry. This has made Evermore's operations in China increasingly challenging, with supply of chemical products significantly exceeding demand.

Response Strategy: In line with the global trend of diversification away from China, Evermore continues to expand localized production, supply, sales, and service at its Taiwan and Vietnam facilities, embracing a "Local for Local" strategy. We are also strengthening sales operations in Thailand, with a more direct and rapid approach from Taiwan, Vietnam, and Thailand to penetrate key Southeast Asian markets such as India and Indonesia. Concurrently, we are deepening our strategic collaboration with AICA to boost sales in Japan and South Korea. Furthermore, we are transitioning production and sales efforts from China to other locations and focusing on the development of differentiated and high-end products to sustain growth and long-term business sustainability. Meanwhile, the Company will focus on R&D of differentiated products and development of high-end products to maintain its growth and sustainability at the same time.

- B. The ongoing Russia-Ukraine war, only mildly eased inflation, and the emergence of tariff barriers under U.S. President Trump have introduced considerable instability to raw material prices. Besides, there is no major manufacturers of polyurethane raw materials is based in Taiwan. The main raw materials, such as AA, MDI and TDI, etc., are all imported from foreign countries. The upstream raw materials suppliers less emphasize the market in Taiwan, and reduce their support for Taiwan, thus weakening the profit to be sought by enterprises.

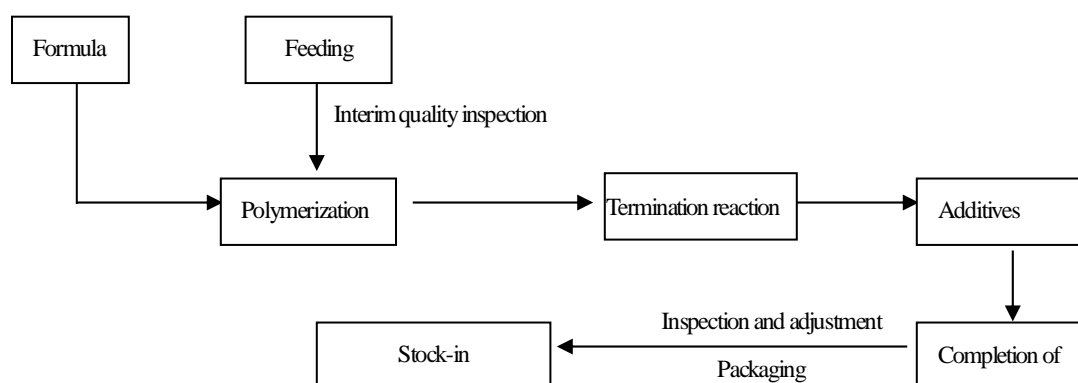
Responsive measure: Work with AICA and subsidiaries of Evermore to improve

the ability of procurement and negotiation through the collective bargaining power of the group. At the same time, the Company is advancing strategic alliances with upstream and downstream partners to foster closer collaboration and secure more favorable terms.

(II) Uses and production processes of main products

PU resin produced by the Evermore is mainly supplied for coating and lamination of synthetic leather, split leather, real leather and various textiles, coatings, inks, and adhesives for shoes and other industries; polyester polyols are mainly supplied for industrial use such as PU synthetic resin and TPU; shoe foaming system materials (PUS) are mainly supplied to OEM manufacturers of well-known brands such as Nike and Adidas for the application to the production of outsoles, midsoles, insoles and accessories; and TPU is mainly supplied for industrial tube materials and injection shoe material and cell phone accessories. Light-curing products are mainly supplied for optics and hard coating and varnishing paper coating products.

Production process of main products:



(III) Supply of main raw materials:

Name of raw material	Main supplier
AA	Vendor A
MDI	Vendor N
TDI	Vendor C
EAC	Vendor D
Additives for coating	Vendor O

(IV) A list of any suppliers (customers) accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the most recent two years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each:

1. The information about any suppliers accounting for 10 percent or more of the Company's total procurement for the most recent two years:

Unit: NTD thousand

	2023				2024 years				2025 up to Q1			
Item	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the net procurement amount ending until Q1 of the year (%)	Relationship with the issuer
	Supplier N	195,944	13	None.	Supplier N	218,844	13		Supplier N	50,618	12	None.
	Others	1,256,628	87		Others	1,507,486	87		Others	372,033	88	
	Net procurement	1,452,572	100		Net procurement	1,726,330	100		Net procurement	422,651	100	

2. The information about any customers accounting for 10 percent or more of the Company's total sales for the most recent two years:

Unit: NTD thousand

	2023				2024 years				2025 up to Q1			
Item	Name	Amount	To the annual net sales amount (%)	Relationship with the issuer	Name	Amount	To the annual net sales amount (%)	Relationship with the issuer	Name	Amount	To the net sales amount ending until Q1 of the year (%)	Relationship with the issuer
	Others	2,367,512	100			2,646,091	100			626,263	100	
	Net sales	2,367,512	100		Net sales	2,646,091	100		Net sales	626,263	100	

Note: The Company's sales amount and ratio vary depending on the major customers' market shares. In 2024 and Q1 of 2025, none of the operating revenues from any single customers accounted for more than 10% of the Company's total consolidated operating revenue.

III. Employees

Information about the employees employed for the most recent two years and until the date of publication of the annual report:

Year		2023	2024	From the current year through March 31, 2025
Number of employees	General officers	244	252	247
	Direct labors	113	122	123
	Total	357	374	370
Average age		42.01	42.09	42.04
Average service seniority		9.97	10.10	10.05
Academic background percentage	Doctor	1%	1%	1%
	Master	9%	8%	8%
	College/University	59%	59%	60%
	Senior high school	23%	24%	24%
	Below senior high school	8%	8%	7%

Note: Said employees include various subsidiaries' employees.

IV. Information about the expenses of environmental protection:

In the most recent year and as of the date of publication of the annual report, losses due to environmental pollution (including compensation and environmental protection audit results that violate environmental protection laws and regulations, the date of punishment, the scope of the punishment, the violation of the provisions of the regulations, the content of the violation of the regulations, the content of the punishment), and disclose the current and future estimated amount and corresponding measures; if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated:

1. In 2024 and as of the publication date of the annual report, there was no loss due to environmental pollution, and the environmental audits found the following violations of environmental protection laws and regulations:

Date of disposition	Document No. of disposition	Provisions of regulations violated	Description of the violated regulations	Description of disposition	Amount of loss/ countermeasures
2024/01/02	20-113-010003	Paragraph 2, Article 24 of the Air Pollution Control Act	Five kinds of raw materials not being used in accordance with the permit and recorded the operations.	Air Pollution Control Act Paragraph 1, Article 62 Subparagraph 5	Fine NT\$100,000 / Enhance training and implement the record keeping

2. The Company strives to comply with environmental protection requirements to fulfill corporate

responsibility and the corporate sustainable operation goals. The Company has a number of pollution prevention equipment, such as liquid injection incinerators, wastewater treatment equipment, organic waste gas biological filter bed treatment equipment, etc. By managing and effectively operating pollution prevention equipment, and strengthening the processing capacity of pollution prevention equipment, the pollutants discharged from the flue meet the requirements of environmental protection laws and regulations.

In order to reduce the impact on the environment and the social responsibility of pollution and waste reduction, the results of the implementation of environmental protection, energy saving and other issues, and the specific future actions are as follows:

(1) Implementation results in 2024:

- A. Continue to promote garbage classification; the recycling of PE class waste achieved 3,960 kg in 2024 to reduce the output of the waste from wasted plastic mixture.
- B. Develop and research green products and promote green products within the range of alternatives in line with global environmental trends. The percentage of green products in annual sales in 2024 reached 57%.
- C. Review and promotion of energy saving and carbon reduction solutions:
 - a. The implementation of the solar power for the plan was carried out in phases and completed on June 30, 2024. As of the end of December 2024, the results are as follows:
 - (a) Phase I: 99KW solar panel installation on Warehouse No. 6, generating 70,664 kWh of electricity.
 - (b) Phase II: 170KW installation on Plant Section 3, generating 120,072 kWh of electricity.
 - b. In addition to initiating the LFT process in Section 2, the cooling system was changed to utilize cooling water instead of a chilled water unit, which was shut down and monitored. The estimated power saving after calculation was 337,220 kWh.
 - c. High Energy Consumption Process in Section 3 – To better monitor electricity usage, an intelligent energy monitoring system was implemented and completed for real-time management and optimization.

(2) Future concrete actions:

- A. Continue to recycle PE film to reduce the waste output of waste plastic mixture.
- B. Develop and research green products and promote green products within the range of alternatives in line with global environmental trends. In 2025, the Company will continue to set annual targets for the proportion of green products in total sales, demonstrating its proactive commitment to sustainable action.
- C. Although it is not subject to the mandatory carbon inventory registration of processes emitting 25,000 metric tons of CO₂e per year as announced by the Environmental Protection Administration, the Company conducts voluntary greenhouse gas inventory in response to the global trend of net zero carbon emissions, and plans reduction plans as follows:
 - a. The Smart Energy Monitoring System in Section 3 effectively manages electricity consumption by establishing a monitoring baseline. Through digital management

technology, it monitors electricity usage in real time and utilizes monitoring data to prevent inefficient energy use.

- b. The solar power generation system for the plant is being implemented in phases. The third phase is planned to install solar power generation equipment with a capacity of 206 kW, with an estimated investment of NT\$12 million. Completion is expected in the first half of 2025.

V. Relations between laborers and employer

- (I) The Company's employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee benefit plans:

- (1) In order to provide the employees with welfare, the Company contributes the welfare fund pursuant to laws, and have the representatives of laborers and employer form the Workers' Welfare Committee in charge of disbursement of the welfare fund and implementation of the following measures: (1) Domestic/overseas travel for employees; (2) Season and festival gifts to employees; (3) Marriage, funeral and festive subsidy for employees; (4) Allowance and subsidy for employees' injury, sickness and hospitalization; (5) Birthday celebration for employees; (6) Purchase of the sport facilities for table tennis, billiard balls and basketballs, et al.; (7) Subsidy for various club activities. The total expenditure for various activities organized by the Employee Welfare Committee in 2024 was NT\$3,346 thousand.
- (2) The Company has formulated the "Employee Proposal Incentive Regulations" to encourage employees to care about anything that can be improved in their own working environment; the effect will be observed and scored. The effect-improvement bonus is rewarded. The Company had a total of five employee proposals in 2024.
- (3) The Company has formulated employee health management procedures with reference to the Labor Health Protection Rules, and cooperated with hospitals to implement on-site services for health promotion at the factories. Pursuant to the regulations, the nurses visit four times a month and physicians once a quarter. Persons to be tracked were selected from the health examination results for follow-up health promotion. For pregnant female employees, the Company allows them to dress in casual clothes for convenience. During the on-site services, the maternity counseling is arranged to monitor physical changes during the early, interim, and later stage of the pregnancy, to establish psychological support, and provide pregnancy information. The factories have a breastfeeding room for female employees who have returned from childbirth. Employees' physical recovery is tracked during maternity counseling period, and information on health care of newborn is provided. The Company's implementation in 2024: There were 153 people receiving occupational nursing health examination counseling, none received maternal protection through interviews with doctor/nurse, and health instructors.
- (4) Flexible working hours: Employees who need family care are provided with flexible working hours; they also adjust their time leaving office so that they can get off work earlier to avoid traffic peaks and improve traffic safety when commuting.
- (5) Leaves: Employees of the Company are entitled to official leave, work injury leave, personal leave, sick leave, marriage leave, bereavement leave, maternity leave, paternity leave, childcare leave, and leave of absence without pay. In 2024, the total of three employees took parental leave and leave of absence without pay.
- (6) Occupational safety and health: Evermost arranges annual health examinations for all employees. The frequency and details of the examinations are better than the current

regulatory standards. Examination items are selected based on the nature of work and potential risk exposure of each employee.

In accordance with occupational safety and health-related laws and regulations, the Company has formulated relevant internal management regulations such as “Forklift Operational Procedures, Electric Vehicle Management Regulations, Regulations on the Use of Personal Protective Equipment, 6S Promotion Procedures,” and other internal management regulations, to implement workplace risk assessments. By requiring the safety as the nature, the working environment, machinery and equipment, and public facilities are improved actively to ensure a safe working environment for employees.

The Company distributes safety protection equipment based on workplaces and job duties, including helmets, safety shoes, goggles, safety skirts, earplugs, gloves, activated carbon masks, reflective vests, etc. The regulations of use are formulated to ensure the personal safety during work, and reduce and avoid the health and safety hazards.

The Company's implementation in 2024: 185 people for health examination, and NT\$866 thousand for procuring safety protection equipment.

2. Continuing education and training of employees:

- (1) The Company establishes the educational training regulations and drafts the annual educational training plan to upgrade the quality of human resource and enhance employees' knowledge and skills required for their duties. The Company organizes the internal and external training per the need for training from various departments each year.

Arrange pre-job training, general training, professional training, quality system training, and management training, by accommodating the corporate development and needs of planning the organizational manpower, to enhance the knowledge, attitude, and skills the employees need to achieve team and individual work goals, and promote the employees' productivity and work quality, so that employees and the Company may grow together.

Status of the Company's educational training in 2024:

Number of person	Hours	Expenses incurred
1,377 persons	6,650 hours	NT\$2,866 thousand

- (2) Certificates and qualifications designated by the competent authority as acquired by the staff involved in financial transparency work:

Job Title	Officer	Deputy
Internal audit	1	1
Accounting Manager	1	1

3. Retirement system:

In response to implementation of the pension act under the new system, the Company contributes 6% of the salary per laborer to the Bureau of Labor Insurance according to the Labor Pension Act on a monthly basis.

For each of the Company's employees who apply the provisions of retirement in the Labor Standards Act, the Company contributes the retirement pension equivalent to 2% of the employee's total monthly salary to the exclusive account maintained at the Bank of Taiwan on a monthly basis.

The employees of subsidiaries in the overseas subsidiaries of the Company pay the pension funds according to the social insurance systems defined by various local governments.

4. Labor-management agreement:

The Company's labor-management meetings are organized by employees' representatives and

the Company's designated management representatives. Regular and irregular labor-management meetings are held. During the meetings, both labor and management coordinate to create a win-win situation for the employees and the management. A total of four meetings were held in 2024.

5. Measures for preserving employees' interests and rights:

- (1) The Company has established the "Regulations for the Complaint and Disciplinary Measures Regarding Workplace Sexual Harassment and Violation of Equal Employment Measures". In accordance with the Occupational Safety and Health Act, the Company has also implemented relevant procedures to prevent unlawful harm and discrimination in the workplace. With a diverse workforce in terms of gender, the Company is committed to providing employees with a dignified, safe, and inclusive work environment, free from discrimination, harassment, or unequal treatment.
- (2) The Company has established the "Operational Procedures of Channels and Protection Mechanism for Whistleblowers," with physical employee suggestion box, and the reporting window and channels on the official website, handled by a dedicated person, for employees to express in diverse manner and fully respects the rights and interests of employees' opinions. In 2024, the Company did not receive any internal suggestions, nor were any whistleblower cases reported.
- (3) In order to remind employees to observe ethical business conducts, the Company has established employee work rules and management regulations, so that employees can better understand their rights and obligations, and avoid misappropriation of property, payment, or other illegal acts that may lead to violations of laws or losses to individuals and the Company.
- (4) The Company adopted the Ethical Management Best-Practice Principles and Procedures for Ethical Management and Guidelines for Conduct upon approval of the Board of Directors, in order to build the enterprise culture upholding ethical management and also good business operation framework to help the Company's robust development.

(II) In past year and up to the date of publication of the annual report, any losses suffered due to labor disputes (including labor inspection results that violate the Labor Standards Act, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) and disclosure of current and future estimated amounts and possible countermeasures:

1. No labor dispute or loss has arisen or sustained during the most recent year and up to the date of publication of the annual report.
2. The Company respects employees' interest and right in work and leads the employees to perform their routine duties under the humanized management model. In the meantime, the Company also establishes various work response mechanisms, e.g. proposal of motions, labor-management meetings and monthly meetings, et al., and maintains fair communication channels with employees.

VI. Cyber Security Management:

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

1. Cyber security risk management framework:

The Company's information management unit is governed by the Administration Department, and responsible for formulating the information security policies, and reviewing and revising the

operating procedures to satisfy the information security standards. Prepare the project plans in order to continue enhancing the measures to mitigate information security risk. Also, in reference to ISO27001 related specifications, we establish the standard information security management criteria, and continue to execute the information infrastructure and information security measures in the spirit of PDCA, in order to ensure the Security, Integrity and Availability of the Company's important information.

The information unit executes the information security inspection regularly, and submits the inspection report to the responsible supervisor for review and approval. It shall verify, follow up and review the corrective action taken against the discoveries and problems proposed in the inspection report, in order to ensure that the internal/external personnel and units do strictly comply with the Company's information security policy.

The Company's internal auditors conduct the audit based on the Company's cybersecurity inspection indicators pursuant to the audit plan each year, and report the result to the Chairman. Meanwhile, they submit the audit results to the Audit Committee and Board of Directors regularly each month, as well as the information about operations of the management's internal control function, in order to help them verify the existing or potential defects and then to make improvement and optimization.

2. Cybersecurity policy:

In order to protect the Company's cybersecurity equipment, cybersecurity system, electronic data, and network assets from the risk over disclosure, destruction or loss due to external threats or internal personnel's unfair use, the following cybersecurity policy is formulated:

- (1) Manage the cybersecurity assets effectively, identify the threats and disadvantages, and assess possible risks, in order to take adequate protection measures to mitigate the cybersecurity asset risk to the minimum.
- (2) Ensure that the personnel may access the communication and information system and electronic data to perform duty within the scope of their authority, and prevent any person from accessing or modifying the electronic data without authorization, in order to maintain the security and integrity of information.
- (3) The Company's communication and information assets are applied in line with the local laws and social good morals locally.
- (4) Establish the disaster prevention strategy and disaster recovery plan for the communication and information assets to ensure the key business continuity in the case of man-made or natural disasters.
- (5) Improve all colleagues' awareness toward cybersecurity, and organize the cybersecurity education and training.

3. Concrete management programs and measures:

- (1) System and regulations: The Company has established the "Computerized Information System Cycle," "Notebook Management Regulations" and "Personal Data Protection Management Regulations," in order to govern the related operating procedures and ensure the information security. The internal audit unit conducts the related audit per the audit plan each year to ensure the strict execution of the internal control system.

- (2) Firewall protection: The firewall shall set up the security management and control procedures. The demand for any special connections, if any, shall be requested additionally.
- (3) User Online Control Mechanism: Firewall blocks any unnecessary websites (games, violence, pornography and illegal sharing and downloading)
- (4) Anti-virus software: The server and user's PC shall be installed with the anti-virus software. The virus code shall be updated automatically on a daily basis.
- (5) ERP authority management: Set the authority of access subject to the user ID, and review the authority periodically.
- (6) Mail security control: The mail server is equipped with mail anti-virus, spam filtering, and detection of improper mail behavior, in order to prevent malicious mails from causing unexpected harm.
- (7) Data backup mechanism: The server and database are set to have complete backup, and back up the data every day. In addition to maintaining the backup server and storing the magnetic tape remotely, the Company will perform the system restoration and storage drill at least once per year.
- (8) Control room equipment management: The server is installed in an exclusive control room where the personnel's access is restricted. The control room adopts an independent power supply and is equipped with air conditioner and CO₂ fire extinguishers. All servers are connected to UPS and diesel power generation equipment to avoid any damage caused by power outage or abnormal power failure.
- (9) Routine protection: Strengthen the awareness promotion or education and training from time to time, in order to improve the colleagues' risk awareness, adjust network information security protection levels and purchase additional equipment for protection, if necessary, from time to time.

4. Investments in resources for cyber security management:

In addition to the Company's own information unit (currently with three employees), the Company also executes the long-term maintenance contracts with external vendors for the maintenance, backup and recovery of the Company's hardware, software and network safety equipment. The related practices include:

- (1) Personnel management and information security education and training.
- (2) Computer system security management.
- (3) Network security management.
- (4) System access control.
- (5) System development and maintenance security management.
- (6) Information asset security management.
- (7) Tangible and environmental security management.
- (8) Business continuity plan management.

In 2024, the Company invested resources into information and communication security management, including expenditures on server hardware, email filtering, ERP software, ERP database, maintenance of Citrix Netscaler network connectivity, and the replacement of FortiSwitch

switches. The total expenditure amounted to NT\$1,484 thousand.

- (II) List any losses suffered by the Company in the most recent fiscal year and up to the date of publication of the annual report due to significant cyber security incidents, the possible impacts therefrom, and countermeasures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

There has been no major information security incident causing damage to the Company's business in the most recent year and up to now. The Company continues to implement the information security management policy and regularly implements the recovery plan drill to protect the security of the Company's important system and data.

VII. Important contracts

Nature of Contract	Principal	Duration of Contract	Main Contents	Restrictive Clauses
Long-term loan	Bank of Taiwan	2020.10~2025.10	Long-term loan	Per the contract
Long-term loan	Mega Bank	2020.05~2025.05	Long-term loan	Per the contract
Long-term loan	CHB	2020.09~2025.12	Long-term loan	Per the contract
Long-term loan	CHB	2020.09~2025.09	Long-term loan	Per the contract

Five. Review and analysis of financial status and financial performance, and risk management issues

I. Financial status

The main reasons for any material change in the Company's consolidated assets, liabilities, or shareholders' equity during the most recent two years, and the effect thereof, and the measures to be taken in response if the effect is of material significance:

Unit: NTD thousand

Item \ Year	2024	2023	Variance		Analysis on changes
			Amount	%	
Current assets	1,615,118	1,624,359	-9,241	-0.57%	
Property, plant and equipment	1,386,165	1,335,939	50,226	3.76%	
Other assets	278,688	337,371	-58,683	-17.39%	
Total assets	3,279,971	3,297,669	-17,698	-0.54%	
Current liabilities	1,428,597	1,441,640	-13,043	-0.90%	
Noncurrent liabilities	278,271	358,375	-80,104	-22.35%	(1)
Total liabilities	1,706,868	1,800,015	-93,147	-5.17%	
Capital	993,880	993,880	0	0.00%	
Capital surplus	98,017	98,017	0	0.00%	
Retained earnings	466,413	419,694	46,719	11.13%	
Other equity	14,793	-13,937	28,730	-206.14%	(2)
Treasury stock	-	-	-	-	
Non-controlling equity	-	-	-	-	
Total equity	1,573,103	1,497,654	75,449	5.04%	
<p>1. Notes to cause of changes by more than 20%:</p> <p>(1) Caused by repayment of long-term borrowings.</p> <p>(2) Affected by the exchange rate, the exchange difference loss in the translation of financial statements of foreign operating institutions becomes larger.</p> <p>2. Effect: No significant effect was produced, as it was a normal condition.</p> <p>3. Measures to be taken in response: N/A.</p>					

II. Financial performance

- (I) The main reasons for any material change in consolidated operating revenues, operating income, and income before tax during the most recent two years, and sales volume forecast and the basis thereof, and the effect upon the Company's business and finance, as well as the measures to be taken in response:

Unit: NTD thousand

Item	Year	2024	2023	Increase (decrease)	Change (%)	Analysis on changes
Operating revenue, net		\$2,646,091	\$2,367,512	278,579	11.77%	
Operating costs		(2,176,756)	(1,927,663)	-249,093	12.92%	
Gross profit		469,335	439,849	29,486	6.70%	
Operating expenses		(362,567)	(348,314)	-14,253	4.09%	
Operating profit		106,768	91,535	15,233	16.64%	
Non-operating revenue and expenditure		21,366	568	20,798	3,661.62%	(1)
Net profits before tax		128,134	92,103	36,031	39.12%	(2)
Less: Income tax expenses		(31,721)	(16,888)	-14,833	87.83%	(3)
Net income		96,413	75,215	21,198	28.18%	(2)
Other comprehensive income		28,730	(17,695)	46,425	-262.36%	(4)
Total comprehensive income		\$125,143	\$57,520	67,623	117.56%	(4)
Net income attributed to the owner of parent company		\$96,413	\$75,215	21,198	28.18%	(2)
Comprehensive income attributed to the owner of parent company		\$125,143	\$57,520	67,623	117.56%	
<p>1. Notes to cause of changes by more than 20%:</p> <p>(1) The net gain on foreign exchange in this period was higher than that in last year.</p> <p>(2) The expected credit loss benefit increased due to the recovery of overdue payments and the net gain on currency exchange was higher than last year.</p> <p>(3) The increase in net profit before tax and the fact that no funds were repatriated for investment to complete tax refunds resulted in an increase in income tax compared to last year.</p> <p>(4) Affected by exchange rate changes, the exchange difference in the translation of the financial statements of foreign operating institutions becomes larger, resulting in losses in other comprehensive profits and losses due to the exchange differences in the translation of financial statements of foreign operating institutions.</p> <p>2. Sales volume forecast and the basis thereof, and the effect upon the Company's business and finance, as well as the measures to be taken in response: Please refer to One. Letter to Shareholders herein</p>						

III. Cash flow

(I) Analysis on consolidated cash flow for the most recent two years:

Year Item	2024	2023	Increase (decrease) (%)
Cash flow ratio (%)	16.69%	31.69%	-47.33%
Cash flow adequacy ratio (%)	93.15%	117.83%	-20.95%
Cash reinvestment ratio (%)	5.27%	11.75%	-55.15%
Notes to increase/decrease (%): Cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio all decreased compared to last year. The main reason is that the inventory reduction in 2024 was not as large as that in 2023. In addition, the income tax paid in 2024 was also higher, which led to a decrease in net cash inflow from operating activities.			

(II) Corrective measures to be taken in response to illiquidity: Continue to adjust the business policy and maintain specific profitability.

(III) Analysis on liquidity for the coming year (2025)

Unit: NTD thousand

Balance of cash, beginning (1)	Projected net cash flow from operating activities for the year (2)	Projected cash inflow (outflow) of the year (3)	Projected cash balance (deficit) (1)+(2)-(3)	Corrective measures against insufficient cash position	
				Investment plan	Wealth management plan
341,674	348,854	(339,510)	351,018	—	—
Analysis on changes of cash flow for the coming year: Maintain stable operations, reduce inventory, and increase the turnover rate of accounts receivable to generate cash inflows from operating activities; Cash outflows arise from repayment of borrowings, continuous investment in equipment, etc.					

IV. Material capital expenditures in the latest year and impacts on business and finance

The Company added new equipment and renovated old equipment, add new production line, factory buildings in order to invest in new products and, therefore, continued to spend the capital expenditure. Notwithstanding, the source of expenditure was own capital and bank loans and no material impact was caused to its business and finance.

V. The investment policy for the most recent year, major causes for profits or losses thereof, rectifications, and investment plans in the next year

1. Investment policy: The Company takes the market and availability of raw materials into account and adopts the investment policy based on its entire business plan.
2. Please refer to the operating profiles of related companies in the special items for the profit or loss of the investment. The revenue growth rate in 2024 was less than the cost, but due to the relatively stable cost and product mix, the gross profit and net profit only increased slightly. In the future, the Group will continue to effectively allocate resources to maintain overall operating performance and stable growth and profit.
3. Investment plans in the next year : The company promotes sustainable development and is gradually implementing solar energy equipment and energy management.

VI. Analysis and assessment on risk issues

(I) Impacts of interest rate/foreign exchange rate fluctuation and inflation to the Company's earnings during the most recent year and until the date of publication of the annual report, and future responsive measures:

1. Interest rate fluctuation: This year's interest expense is NT\$22,445 thousand dollar, accounting for 0.85% of the entire year's net revenue. Interest expenses slightly decreased compared to 2023. It is expected that the interest rate may rise in the next year, However, interest expense is expected to remain flat due to the reduction in borrowing amount. In addition to actively looking for funds with low interest rates, the company also arranges to repay loans with higher interest rates to reduce interest expenses. the amount.
2. Foreign exchange rate fluctuation: Net exchange benefit for the year was 22,699 thousand , which was mainly affected by the fluctuations of the RMB against the U.S. dollar and the New Taiwan dollar against the U.S. dollar. In the future, it is estimated that the fluctuations of NTD/USD and RMB/USD will be relatively small compared with last year, and the estimated exchange gains and losses will not be large. The company estimates the net position of foreign currency revenue and expenditure as a natural hedge, and purchases and exports of raw materials denominated in foreign currencies The amounts are adjusted to each other, and the actual impact is still within the controllable range.
3. Inflation: The Company's market segment was categorized into domestic marketing and export. In 2024, The Inflation or deflation in the domestic and export markets in 2024 led to a Increase in revenue, but did not have a significant impact on operating profits. The Company maintained fair interactive relationship with suppliers, and adjusted its operating strategies subject to the degree of inflation or deflation to mitigate the adverse effect produced on the Company therefor.

In conclusion, the Company will pay attention to the possible movement of interest rates, foreign exchange rates and inflation from time to time, and take any hedging measures whenever it is necessary, so as to mitigate the adverse impact to the Company.

(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading during the most recent year and until the date of publication of the annual report, main causes of profit or loss incurred and future responsive measures:

The Company managed its finance in a conservative manner and never engaged in any high-risk or highly leveraged investments and derivatives trading. Meanwhile, the Company complied with the competent authority's requirements when loaning to others or making endorsements/guarantees.

(III) Future R&D plans and expected R&D expenditure:

1. For the Company's future R&D plans, please see the technology identified in the descriptions of business and overview of R&D in Five. Overview of Operations herein.
2. The company's future research and development expenses are expected to be about 2.44 of the revenue.

(IV) Impact on the Company's business and finance due to changes in domestic or foreign policies and laws, and responsive measures:

The Company's operations complied with the related policies and laws, and no impact was produced on the Company's business and finance.

- (V) The impact of technological changes (including information security risks) and industrial changes on the company's financial business and countermeasures:
 In recent years, there has been no major impact on the company's financial business due to technological changes (including information security risks) or industrial changes.
 With the diversification of the use of information technology, the risk of information security is increasing. The company continues to assess the possibility of risk threats, and continuously updates, increases or builds relevant information risk prevention equipment or software.
- (VI) Impact on crisis management in the event of a change in corporate identity, and responsive measures:
 The Company upheld the management philosophy emphasizing ethical management and profession. No impact has produced on the Company's crisis management due to a change in corporate identity during the most recent year.
- (VII) Expected benefits and possible risks of merger and acquisition, and responsive measures: None.
- (VIII) Expected benefits and possible risks of facilities expansion, and responsive measures: None.
- (IX) Risks and responsive measures associated with concentrated sales or purchases:
 1. Purchase: The sources of the Company's raw materials were primarily international leading manufacturers. Meanwhile, the Company worked with multiple excellent vendors to assure the quality of raw materials and supplies and mitigate the risk over supply shortage or disruption at the same time.
 2. Sale: The Company dispersed its sales and, therefore, there was no likelihood of concentrated sales.
- (X) Impact and risk on the Company due to major transfer or conversion of equity by directors, supervisors, or shareholders with more than 10% ownership interest, and responsive measures:
 According to the available information, no large-scale transfer or replacement of shares of major shareholders has been found to have an impact on the company.
- (XI) Impact and risks on the Company due to a change of the right of management: None.
- (XII) Major litigations and non-contentious cases: Please describe the major litigations or administrative litigations involving the Company or any director, supervisor, President, person-in-charge or major shareholder with more than 10% ownership interest of the Company, whether concluded or pending judgment, that are likely to pose significant impact on shareholders' equity or security prices of the Company, and also disclose the facts in dispute, the amount involved, the date the litigation started, the key parties involved, and progress until the publication date of the annual report: None.
- (XIII) Other material risks and responsive measures: None.

VII. Other important notes: None.

Six. Special Disclosures

- I. Information about affiliated enterprises :
Please refer to the Market Observation Post System (MOPS)
https://mopsov.twse.com.tw/mops/web/t57sb01_q10 > Single Company > Electronic Document Download > Affiliated Enterprises Reports Section. Enter the company code to search for related information.
- II. Private placement of securities during the most recent year and up to the date of publication of the annual report: None.
- III. Other supplementary disclosures: None.

Seven. Any matters which might materially affect shareholders' equity or the price of the Company's securities during the most recent year and up to the date of publication of the annual report: None.