

Stock Code: 1304

USI Corporation

**2024 Annual Report**

USI Corporation Website: <https://www.usife.com>

Check the Annual Report at: <https://mops.twse.com.tw>

Publication date: March 31, 2025

I. Spokesperson of the Company:

Name: Wu, Ming-Tsung

Title: Deputy General Manager of Business

Telephone No.: (02)2627-4745

Email: [mtwu@usig.com](mailto:mtwu@usig.com)

Acting spokesperson of the Company:

Name: Chou, Tse-I

Title: Chief Accountant

Telephone No.: (02) 8751--6888 extension 3318

Email: [kellychou@usig.com](mailto:kellychou@usig.com)

II. Head Offices and Plants:

Name	Address	Telephone No.
Head Office and Kaohsiung Plant	No. 330, Fengren Road, Renwu District, 814 Kaohsiung City	(07)735-9998
Taipei Office	12th Floor, No. 37, Jihu Road, Neihu District, 114 Taipei City	(02)8751-6888

III. Stock Transfer Agent:

Name: Stock Affairs Department, USI Corporation

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

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

Telephone No.: (02)2650-3773

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

Name: CPAs Chen, Chun-Hung and Chuang, Pi-Yu

Name of accounting firm: Deloitte Taiwan

Address: 20th Floor, No. 100, Songren Road, 110 Taipei City

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

Telephone No.: (02)2725-9988

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

VI. Website: <https://www.usife.com>

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## Chapter 1. Letter to Shareholders

Dear Shareholders,

Looking back at 2024, the Company's consolidated annual revenue reached NT\$51 billion, a decrease of NT\$1.257 billion compared to the previous year, achieving a budget fulfillment rate of 78%. The Company's consolidated pre-tax net loss was NT\$5.518 billion, an increase of NT\$3.581 billion compared to the previous year's pre-tax net loss. The consolidated post-tax net loss was NT\$4.91 billion, representing NT\$4.705 billion more than the budgeted post-tax net loss compared to the budgeted post-tax net loss. The portion of the post-tax net loss attributable to the Company's shareholders was NT\$2.147 billion.

The Company's operating performance in 2024 was as follows:

### **Sales and Marketing:**

Operating Performance for the Year: Amid escalating global geopolitical tensions—particularly in the Middle East and the ongoing Russia-Ukraine war—coupled with OPEC+ production cuts, crude oil prices trended upward in the first half of 2024. This, in turn, drove up naphtha prices and increased ethylene procurement costs. On the supply and demand front, ongoing U.S.-China trade tensions and the slowdown in Mainland China's economic growth have hindered the post-pandemic recovery of domestic demand for petrochemical products, resulting in limited market demand growth. On the supply side, however, large-scale capacity expansion in Mainland China's petrochemical industry has significantly outpaced demand growth. This has led to severe oversupply in many plastic and chemical products, triggering intense price competition and further depressing overall market conditions across Asia. In the EVA market, prices rebounded in Q1 2024 but began declining again from Q2 due to the launch of new production capacity in Mainland China and slower-than-expected growth in photovoltaic demand. By the end of Q4, with a recovery in photovoltaic demand, prices stabilized and rebounded slightly. In response to the substantial increase in EVA capacity in Mainland China, the Company intensified efforts to develop markets outside Mainland China and actively pursued high-value and differentiated products, significantly reducing reliance on the Chinese market. Nevertheless, the Company was still affected by weak overall EVA market conditions and scheduled maintenance shutdowns and equipment replacement in Q3. Total EVA sales for the year were 202,000 tons, with both volume and price declining compared to the previous year. In the PE segment, sales remained relatively stable. For ABS/PS products, the market continued

to be affected by high inflation, uncertainties in U.S. trade policies, rising ocean freight rates, and geopolitical tensions. Additionally, excess ABS capacity from Mainland China intensified competition. However, stable demand in South Asian markets such as India and Pakistan helped offset market gaps. Following the cancellation of ECFA preferential tariffs by mainland China in mid-year, the Company proactively adjusted its sales strategy, resulting in an 11% increase in sales volume compared to the previous year. GPS products continued to expand into Southeast Asia, the Middle East, Africa, the Americas, and Oceania to broaden the sales footprint. However, sluggish global economic growth led to a 3% decline in sales volume year-over-year. EPS products achieved broader market reach, with stable customer bases established in Southeast Asia, Africa, the Middle East, Latin America, and South Asia, resulting in a 5% increase in sales volume compared to the previous year. In the Vinyl Chain segment, the prolonged downturn in Mainland China's real estate sector, along with the continuous launch of new PVC powder capacity, exacerbated the supply-demand imbalance. This led to increased exports and repeated downward price adjustments in the export market, pushing prices close to marginal cost and significantly compressing PVC profit margins. Upstream VCM prices also declined in tandem, further squeezing profitability. PCV, after deducting the quantity for own use for producing downstream processed goods, saw an export of 276,000 tons, down 22% from the previous year. In chemical products, ongoing capacity expansion by semiconductor manufacturers drove demand growth. In the second half of the year, caustic soda prices rose in Asia and domestic chlor-alkali prices increased. Annual chemical product output reached 63,000 tons (at 100% concentration), with sales of 58,000 tons, representing a 6% year-over-year increase. Regarding in-house processed PVC powder products, sales of building materials declined to 17,000 tons due to ongoing domestic labor shortages, rising raw material prices, slow progress in construction projects, and government housing market control policies. Sales of plastic sheets and PVC leather products decreased due to shrinking end-market demand and the lack of recovery in demand from Europe and the U.S. The iron core business benefited from strong AI-related demand. With inventory levels in the cloud server supply chain having normalized and growing applications in AI servers and AI-enabled devices, demand for passive components increased, driving revenue growth. Annual sales volume reached 7,000 tons, up 2% from the previous year. In terms of SiC products, the market demand for power components is still in the growth stage, and the Company has continued to expand the scale of production and sales in recent years, and its revenue has continued to increase. Under the continued development of electric vehicles, the Company's silicon carbide (SiC) products saw a significant increase in both revenue and profit. Annual sales volume reached 125 tons, representing



a 76% increase year-on-year.

### **Production Management:**

To implement energy saving and carbon reduction programs, the cumulative grid-connected capacity of the invested solar energy field can reach 8.6 MW, generate about 1,073 million KWH of green electricity every year, and contribute about 5,300 tons of carbon dioxide equivalent to carbon reduction, so as to achieve the Company's sustainable development and carbon reduction goals. Continuously improve production process, replace old equipment, improve production efficiency and quality to reduce production cost, and actively trial production of niche products. Actively improve work safety and environmental protection, and promote process safety management to ensure the safety of plant and operating environment.

### **Corporate Social Responsibility:**

Guided by the core philosophy of "Creating Sustainable Value and Building a Sustainable Society Together", the Company actively advances ESG strategies to address environmental and social challenges. We have established a 2050 carbon neutrality goal and are promoting energy transition initiatives, including in-house solar power generation and green electricity procurement. Efficiency assessments and energy-saving measures for major power-consuming equipment are also underway. In addition, we partnered with the NTU Experimental Forest to adopt a 5-hectare afforestation project and participated in the Ministry of Economic Affairs' "Supply Chain Low-Carbon Transformation Guidance Program," collaborating with customers and their supply chains to achieve a joint target of reducing carbon emissions by 10,000 tons. In terms of water resource management, we disclosed our data and performance results. In 2024, the Company received a "B" rating in both "Climate Change" and "Water Security" from the CDP evaluation. On the community front, we continued our involvement with the Renwu Special Education School's air purification zone, engaged in industry-academia collaboration with Renwu Senior High School, and created local employment opportunities. In terms of social contribution, the Company—through the USI Education Foundation—supported cultural programs, disadvantaged groups, rural education, and environmental conservation, while also offering scholarships and sponsorships to charitable organizations. Regarding employee care, the Company was recognized as an Outstanding Enterprise in Occupational Safety by the Occupational Safety and Health Administration, and our group company was awarded the Silver Award in 1111 Job Bank's "Happy Enterprise" program, highlighting our commitment to workplace safety and employee well-being. Looking ahead, we will continue to drive

innovation, collaboration, and strategic adjustments to deepen our sustainable development efforts and realize the goal of harmonious coexistence between enterprise and the environment, creating long-term value for society and nature.

### **Research and Development:**

R&D efforts remain focused on the continuous development of high VA EVA products for applications in inks, premium foamed shoe materials, and wire and cable markets. Notably, specialty-grade EVA has achieved a significant breakthrough in the wire and cable industry. Additionally, efforts are underway to optimize the production process and introduce new specifications for optical-grade cyclic block copolymers, targeting high-temperature-resistant applications in the electronics sector, AR/VR lenses, and premium transparent tubing. Regarding CBC business expansion, major customers in the new energy power sector and optical lens industry have successfully completed initial testing. The food packaging film segment has established a solid market presence and continues to expand into Europe and North America. Semiconductor carrier materials have obtained customer certification and are now being delivered steadily. Given CBC materials' exceptional performance in deep ultraviolet sterilization applications, they have successfully entered the markets of leading Chinese automotive brands and medical applications. Furthermore, we are actively collaborating with globally renowned brands to develop products such as antimicrobial water filter pitchers. In product development, efforts are focused on creating yellowing-resistant ABS storage materials, as well as optimizing EPS products to enhance surface hardness by 45%, improve storage durability by 10%, and increase molding efficiency by 15%

### **Comprehensive Annual Operating Performance:**

Operating Performance for the Year: Due to a decline in selling prices and reduced product margins, the Company's profitability decreased this year. The consolidated net operating loss was NT\$2.01 billion, representing a decrease of NT\$3.63 billion compared to the previous year's operating profit, and a shortfall of NT\$4.2 billion compared to the budgeted operating profit. In addition, the Company recorded a consolidated non-operating net loss of NT\$3.51 billion, including losses from equity-method investees and other non-core items.



## **Overview of 2025 Business Plan and Strategic Planning for Future Development:**

Looking forward to 2025, the global concern about green energy issues and ongoing implementation of energy conservation and carbon reduction policies support a positive long-term outlook for the solar energy market. As a result, demand for EVA in green economy applications is expected to remain strong. However, challenges persist, including continued capacity expansion in Mainland China's petrochemical industry, geopolitical instability, and rising protectionism. . These factors contribute to a cautious outlook for the global economy. In particular, the significant new EVA capacity set to come online in Mainland China in the coming years may disrupt supply-demand balance. In response, the Company is actively developing and promoting high-value EVA products, while also addressing calls for circular plastics by developing ESG-focused products to enhance product value. We are also pursuing stable, low-cost sources of ethylene to reduce production costs, strengthening product quality and technical support, and accelerating differentiated product development. Efforts are being made to expand beyond the China market, helping diversify risk and enhance competitiveness to support the Company's sustainable growth. For ABS, GPS, and EPS products, in addition to maximizing production and sales, the Company is optimizing its customer portfolio and expanding market reach beyond Mainland China and Hong Kong to reduce reliance on a single overseas market. Geographic diversification will support our strategy of full-capacity, full-sales operations. Furthermore, we continue to manage raw material and finished goods inventories to minimize the impact of market volatility on operational performance. From a technical, process, market, application, and product perspective, we are evaluating process efficiency improvements and new product development to further elevate overall operations while maintaining a production-maximization strategy. Although Mainland China's economic recovery still faces multiple headwinds, we expect more proactive policies to stimulate domestic demand. Emerging markets such as India and Vietnam are projected to maintain steady growth. Meanwhile, global PVC capacity expansion continues to outpace demand. This calls for disciplined supply-side management and close attention to regional price differentials brought by trade barriers to identify new opportunities for profit growth. Despite the severe impact of Mainland China's oversupply in petrochemicals, the Company remains committed to the principle of aggressive action in good times and resilience in adversity. We are advancing corporate transformation through upgrading outdated, energy-intensive equipment and promoting AI-driven smart technologies to optimize processes and improve energy efficiency and operational management. Building on our solid foundation, we are fully committed to expanding into diversified and high-value markets. In the field of

environmentally friendly materials, several products have entered mass production following validation from European and American brands. Notably, the second-generation cooling leather developed by the Group's Innovation Center has not only been adopted by leading domestic motorcycle manufacturers but is also being promoted in partnership with local shared mobility brands. These achievements highlight the Company's commitment to environmental protection and social responsibility. Backed by strong confidence in future development and a firm dedication to long-term investment, the management team will continue to pursue workplace safety, environmental protection, cost reduction, and fulfillment of social responsibilities to achieve the goal of sustainable corporate development. The full-year sales targets are projected at approximately 353,000 tons for PE/EVA, 430,000 tons for the Vinyl series and its downstream products, 422,000 tons for ABS/PS, and around 12,000 tons for glass wool products. For iron core products, inventory adjustments in the information and communication electronics industry have largely concluded. With the growing adoption of AI, the Company continues to expand into emerging application markets such as IoT, high-performance computing (HPC) data centers, servers, and automotive sectors. As for SiC products, while electric vehicle sales fell short of expectations and new power market demand has yet to materialize, the Company saw weaker-than-anticipated sales in the fourth quarter of 2024. Nevertheless, it has made notable progress in the development of high-purity SiC ceramic products, which are expected to serve as a new growth driver.

I would like to express my utmost gratitude to all our beloved shareholders for your continuous support and encouragement for the Company. I wish everyone good health and all the best.

<b>Chairman</b>	<b>Quintin Wu</b>	
<b>General Manager</b>	<b>Wu, Pei-Chi</b>	



## Chapter 2. Corporate Governance Report

### I. Directors, General Manager, Deputy General Manager, Senior Managers, and Managerial Officers of various departments or branches:

#### (I) Composition of the Board of Directors

##### 1. Information of members of the Board of Directors

March 31, 2025; Unit: Shares

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares held when elected		Number of shares currently held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 4)	Titles also held in the Company and other companies.	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark (Note 5)
							Number of share	Percentage of Ownership (%)	Number of share	Percentage of Ownership (%)	Number of share	Percentage of Ownership (%)	Number of share	Percentage of Ownership (%)			Title	Name	Relatio n	
Chairman and CEO	Hong Kong	Shing Lee Enterprises (Hong Kong) Limited	—	May 31, 2023	3 years	Dec 02, 1982	173,776,546	14.62%	173,776,546	14.62%	—	—	0	0%	Chairman, USI Corporation	(Note 7)	Director	Yu, Ching-Shou	In-law	(Note 5)
	Taiwan (R.O.C.)	Representative : Wu, Yi-Gui	Male 71-75			Dec 02, 1982 (Note 6)	—	—	113,122	0.01%	—	—	0	0%						
Director	Taiwan (R.O.C.)	Asia Polymer Corporation	—	May 31, 2023	3 years	Jun 12, 2020	101,355,673	8.53%	101,355,673	8.53%	—	—	0	0%	Bachelor of Engineering, Kyushu University (Japan)	Director: United Polymers Corporation, Ever Victory	Chairman	Quintin Wu	In-law	No
	Hong Kong	Representative : Yu, Ching-Shou	Male 91-95			Dec 02, 1982	—	—	0	0%	12,500,000	1.05%	0	0%						
Director	Taiwan (R.O.C.)	Asia Polymer Corporation	—	May 31, 2023	3 years	Jun 12, 2020	101,355,673	8.53%	101,355,673	8.53%	—	—	0	0%	(Note 8)		No	No	No	No
	Taiwan (R.O.C.)	Representative : Kao, Che-I	Male 81-85			Jun 08, 2017	—	—	0	0%	0	0%	0	0%						
Director and General Manager	Taiwan (R.O.C.)	Taita Chemical Company, Ltd.	—	May 31, 2023	3 years	Jun 12, 2020	15,109,901	1.27%	15,109,901	1.27%	—	—	0	0%	(Note 9)	(Note 10)	No	No	No	No
	Taiwan (R.O.C.)	Representative : Wu, Pei-Chi	Male 56-60			Sept 23, 2022	—	—	0	0%	0	0%	0	0%						

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares held when elected		Number of shares currently held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 4)	Titles also held in the Company and other companies.	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark (Note 5)
							Number of share	Percentage of Ownership (%)	Number of share	Percentage of Ownership (%)	Number of share	Percentage of Ownership (%)	Number of share	Percentage of Ownership (%)			Title	Name	Relatio n	
Director	Hong Kong	Shing Lee Enterprises (Hong Kong) Limited	—	May 31, 2023	3 years	Dec 02, 1982	173,776,546	14.62%	173,776,546	14.62%	—	—	0	0%	(Note 11)	(Note 12)	No	No	No	No
	Taiwan (R.O.C.)	Representative: Wu, Hung Ting	Male 41-45			Jun 12, 2020	—	—	50,418	0%	2,973	0%	0	0%						
Independent Director	Taiwan (R.O.C.)	Chen, Chung	Male 71-75	May 31, 2023	3 years	Jun 06, 2014	0	0%	0	0%	0	0%	0	0%	(Note 13)	(Note 14)	No	No	No	No
Independent Director	Taiwan (R.O.C.)	Tu, Tzu-Chun	Male 61-65	May 31, 2023	3 years	Jun 12, 2019	0	0%	0	0%	0	0%	0	0%	(Note 15)	(Note 16)	No	No	No	No
Independent Director	Taiwan (R.O.C.)/USA	Hai, Ying-Chun	Male 76-80	May 31, 2023	3 years	Jun 06, 2014	0	0%	0	0%	0	0%	0	0%	(Note 17)	(Note 18)	No	No	No	No
Independent Director	Taiwan (R.O.C.)	Chen, Sheng-Te	Male 66-70	May 31, 2023	3 years	May 31, 2023	0	0%	0	0%	0	0%	0	0%	(Note 19)	(Note 20)	No	No	No	No

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

Note 2. Please list the actual age, and express it in interval mode, such as 41-50 years old or 51-60 years old.

Note 3. Any disruption of duty as a director or supervisor after the date they are elected should be included in a separate note.

Note 4. Work experiences of any individual in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.

Note 5. If the Chairman, General Manager, or personnel with an equivalent position (top-level manager) are the same person, spouses, or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the Directors not serving as employees or managerial officers concurrently) shall be addressed.

Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainability Council, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

Note 6. From February 17, 1992 to May 18, 1993, institutional shareholder Shing Lee Enterprise (Hong Kong) Limited experienced a disruption of duty as a Director because the representative of the Company was replaced.

Note 7. Chairman: APC, CGPC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USIFE Investment Co., Ltd., CGPC Polymer Corporation, APC Investment, Taiwan United Venture Capital Corp., USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical.

Director: TVCM, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics (Kunshan) Co., Ltd., Golden Amber, ACME (Kunshan), ACME (Guang-Zhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, A.S. Holdings (UK), ASK-SWANSON (KUNSHAN), Acme Ferrite, Swanson (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, USIG (Shanghai), PT. Swanson Plastics Indonesia, USIGE, ZTC, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group, Acme Advanced Materials and USI (Xiamen).

General Manager: United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.

Chief Executive Officer: USI Corporation, APC, China General Plastics Corporation, TTC, Acme Electronics Corporation and USI Optronics Corporation.

Executive Director: Chinese National Federation of Industries.

Note 8. Department of Chemical Engineering, National Taiwan University; PhD in Chemical Engineering, Perdue University; Chief Scientist, Dow Chemical; Senior Consultant and Expert, Industrial Technology Research Institute (Chairman Office); Senior Advisor, Chi Lin Technology Co., Ltd.

Note 9. General Manager, Thermosetting Materials Business Unit, Asia Pacific, Dow Chemical Company; Sales Director, Basic Plastics, Greater China; Sales Engineer, ESSO Taiwan Branch.

Note 10. Chairman: USIGE, Taita Chemical (Zhongshan), Taita Chemical (Tianjin), USIT (Shanghai), Zhangzhou Taita, and Zhangzhou Taiju, USI (Xiamen) and Zhangzhou Xuteng.

Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., USI, APC, CGPC, CGTD, USIFE Investment, APC Investment, CLT, Swanson Plastics, STC, USI Education Foundation, TUVVC, UPHIC, UM, ACME (Kunshan), Fujian Gulei Petrochemical, USIO, and USI (Hong Kong), STC (Kunshan).

General Manager: USI, Taita, APC, CLT, USI, and USIG (Shanghai).

Note 11. Master of International Business Administration, Antai College of Economics & Management, Shanghai Jiao Tong University; analyst at Yuanta Securities Investment Consulting Co., Ltd.; Legal Affairs Manager and Financial Affairs Manager of Aetas Technology Inc.

Note 12. Founder and CEO of Foxli Networks (Shanghai) Technology Co., Ltd.; Director of Oak Analytics; Initial capital investor of Bloominous, Inc.



- Note 13. Masters of Law, National Taiwan University (Taiwan); Office of the President (Taiwan); President of the Executive Yuan, Taiwan (R.O.C.); Vice President of the Executive Yuan, Taiwan (R.O.C.); Chairman of the Financial Supervisory Commission under the Executive Yuan, Taiwan (R.O.C.); Chairman of the Taiwan Stock Exchange; Deputy Minister of the Minister of Finance, Taiwan (R.O.C.); Director General of Finance Bureau, Ministry of Finance, Taiwan (R.O.C.); Director General of Insurance Bureau, Ministry of Finance, Taiwan (R.O.C.); and Chairman of Taiwan Cooperative Bank.
- Note 14. Chair Professor at School of Law and School of Business, Soochow University (Taiwan).  
Chairman: The Appacus Foundation and the Prospect Foundation.  
Director: Union Petrochemical Corporation.
- Note 15. Ph.D., School of Forestry and Resource Conservation, National Taiwan University; Minister of the Ministry of Economic Affairs, Chairman of National Development Council; Vice Premier, Executive Yuan; and Adjunct Associate Professor, Department of Business Administration, Soochow University.
- Note 16. Consultant, Institute of Taiwan Electrical and Electronics Manufacturers' Association; Highest Consultant, Taiwan Transportation Vehicle Manufacturers Association; Highest Consultant, National Federation of Industries; a member of the Industrial Development & Investment Promotion Committee of Taoyuan.  
Independent Director: Macronix International Co., Ltd., CDIB Capital Group, KGI Financial Holding Co., Ltd., Walsin Lihwa
- Note 17. Master of International Business Management, University of Texas at Dallas; Chairman and Chief Executive Officer of Delta Electronics, and Chairman of Business Strategy Management Committee; General Manager of GE Capital Taiwan.
- Note 18. Director: Delta Electronics, CTCL Corporation.  
Other Functional Committees: Sustainability and Net Zero Committee Member, CTCL Corporation.  
Other organizational positions: Legal Entities: Taiwan Climate Change Alliance Chairman, Board member of the Taiwan Institute for Sustainable Energy, Advisor to the Taiwan Cloud Computing & IoT Association, Director of the Delta Electronics Foundation, Director of the Zhang Xin-Qi Memorial Foundation for Business and Management Education, Director of the Chiang Ching-kuo Foundation for International Scholarly Exchange and member of its finance committee.  
Honors: Academician of the Industrial Technology Research Institute (ITRI)
- Note 19. Master of Business Administration from the University of Missouri, Chairman of Taipei Fubon Commercial Bank, Chairman of Zhuo Yi Capital, head of Citigroup Taiwan.
- Note 20. Director: TCC Group Holdings, Lion Travel Agency.  
Independent non-executive director (Foreign): Uni-President Enterprises China Holdings.  
Supervisor: Fubon Bank (China) Co., Ltd.

2. The principal shareholder of a corporate shareholder

March 31, 2025

Shareholders' Name (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	
Shing Lee Enterprises (Hong Kong) Limited	SILVER HERO VENTURES LTD.	18.18%
	SOCIAL LUCKY INT'L INVESTMENT LTD.	18.18%
	XANADU INTERNATIONAL CO., LTD.	18.18%
	RICH GRADE HOLDINGS LTD.	18.18%
	ASIA DYNAMIC OVERSEAS LTD.	10.61%
	BEST PERSPECTIVE OVERSEAS LIMITED	7.58%
Asia Polymer Corporation	Union Polymer International Investment Corporation	36.08%
	Taiwan Union International Investment Corporation	2.41%
	TransGlobe Life Insurance Inc.	2.28%
	Chunghwa Post Co., Ltd.	1.34%
	Chang Hwa Commercial Bank, Ltd. was entrusted to host the investment account of Mega Taiwan ESG High Dividend Equal Weight ETF Securities Investment Trust Fund	1.11%
	The First Insurance Co., Ltd.	1.08%
	JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account	0.93%
	JP Morgan Chase Bank Taipei Branch was entrusted to host the investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Fund Company	0.90%
	China General Terminal & Distribution Corp.	0.89%
	JP Morgan Chase Bank Taipei Branch was entrusted to host the investment account of Advanced Trust Co., Legal Entity, Complete Global Equity Market Index Trust II	0.47%
Taita Chemical Company, Ltd.	Union Polymer International Investment Corporation	36.79%
	Taiwan Union International Investment Corporation	2.23%
	China General Terminal & Distribution Corp.	0.57%
	Citibank Custody - Barclays Capital SBL/PB Investment Account	0.43%
	USIFE Investment Co., Ltd.	0.36%
	Chen, He-hsin	0.32%
	Huang, Tsung-ming	0.23%
	Chen, Shun-wen	0.22%
	Li, Yao-kuei	0.21%
	HSBC Taipei Branch was entrusted to host the investment account of Merrill Lynch International Company	0.20%

Note 1. For directors whose representatives are institutional shareholders, the name of these representatives should be filled.

Note 2. Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the major shareholder is a juristic person, his/her name should be filled in Table below.

Note 3. For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders (refer to the announcement of Judicial Yuan) shall be disclosed (i.e. name of the investor or donor and their investment or donation ratio). If the donor has passed away, a note of "deceased" should be added.



## 3. Institutional shareholders whose major shareholders are juristic persons

March 31, 2025

Name of Institutions (Note 1)	Major Shareholders of Juristic Persons (Note 2)	
SILVER HERO VENTURES LTD.	WU,HUNG-TO	95%
SOCIAL LUCKY INT'L INVESTMENT LTD.	WU, I-KUANG	100%
ASIA DYNAMIC OVERSEAS LTD.	SEAQUEST VENTURES INC.	100%
BEST PERSPECTIVE OVERSEAS LIMITED	WU,WEI-MING	100%
XANADU INTERNATIONAL CO., LTD.	WU SHUNG, HUI-CHENG	99%
RICH GRADE HOLDINGS LTD.	WU , CHIAO-FENG	99.99%
Union Polymer International Investment Corporation	USI Corporation	100%
Taiwan Union International Investment Corporation	UPC Technology Corporation	100%
TransGlobe Life Insurance Inc.	Chung Wei Dehui Co., Ltd.	100%
Chunghwa Post Co., Ltd.	Ministry Of Transportation and Communications	100%
The First Insurance Co., Ltd.	Keng Seng Development Co., Ltd.	6.24%
	OSTA Trading Co., Ltd.	5.25%
	Sheng Qing Investment Ltd.	3.89%
	Cai Cheng Enterprise Co., Ltd.	3.80%
	Bao-Shan Construction Co., Ltd.	3.31%
	Jian Yi Industrial Co., Ltd.	2.45%
	E-Ji Co. Ltd.	1.64%
	Cai Rui Enterprise Co., Ltd.	1.49%
	Cheung, Yuen Ho	1.38%
China General Terminal & Distribution Corp.	Lee Yeung, Siu Kuen	1.24%
	China General Plastics Corporation	33.33%
	Asia Polymer Corporation	33.33%
USIFE Investment Co., Ltd.	Taita Chemical Company, Ltd.	33.33%
	USI Corporation	100%

Note 1. If the major shareholder of institutional shareholders as shown in Table 1 is a juristic person, the name of the juristic person should be filled.

Note 2. Fill in the name of the major shareholders of these institutions (include top 10 major shareholders by shareholding percentage) and their shareholding percentages.

Note 3. For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders (refer to the announcement of Judicial Yuan) shall be disclosed (i.e. name of the investor or donor and their investment or donation ratio). If the donor has passed away, a note of "deceased" should be added.

#### 4. Information regarding members of the Board of Directors

##### (1) Disclosure of professional qualifications of Directors and Supervisors and independence Information of independent Directors:

March 31, 2025

Criteria Name	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of companies in which the director or supervisor also serves concurrently as an Independent Director
Quintin Wu	(1) Currently, he serves as the chairman and chief executive officer of USI Corporation and a number of affiliated enterprises. He has professional field of corporate operation management and direct supervision experience of financial supervisor, accounting supervisor, etc. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies	N/A	N/A
Yu, Ching-Shou	(1) As a director of the Company for many years, he has profound expertise in finance, chemical industry and other fields. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies		
Kao, Che-I	(1) He received a Doctor's degree in chemical engineering from Purdue University, and served as chief scientist of Dow Chemical (U.S.A.). He has profound professional experience in chemical engineering. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies		
Wu, Pei-Chi	(1) Currently serving as General Manager for our company, Asia Polymer Corporation and Taita Chemical Company, Ltd with job experience overseeing financial and accounting executives directly. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies		
Wu, Hung Ting	(1) Working experience and professional qualifications in legal, financial and other positions. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies		
Chen, Chung	(1) He is currently a Chair Professor of Law and Business at Soochow University. He has served as the dean of the administration, the head of the Ministry of Finance and Economics, and the head of the financial sector. He has written extensively on the state of the financial sector and related public policy issues, and has professional experience in strengthening corporate governance and the functioning of the board. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies	In the two years prior to his election and during his term of office, he did not have the situation described in Item 1 of Article 3 of "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	0
Tu, Tzu-Chun	(1) He was adjunct Associate Professor in the Department of Business Administration of Soochow University, Vice President of the Executive Yuan and head of the Ministry of Finance and Economics. Currently, he serves as a director of several listed companies, with experience in industrial development planning, industrial technology research and development and management. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies		3(Note 4)
Hai, Ying-Chun	(1) As the chairman of Delta Electronics, with experience in setting the Company's business development direction, planning the organizational structure, promoting and implementing strategic innovation, strengthening corporate governance and the functioning of the Board of Directors. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies		0



Chen, Sheng-Te	<p>(1) He has served as the chairman of Fubon Bank and Zhuoyi Capital, and has rich working experience in finance, investment and other professional fields besides enterprise management experience.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies</p>	<p>Mr. Chen, Sheng-Te is the spouse of Mr. Chang, Chen-Ming, Independent Director of China General Plastics Corporation (hereinafter referred to as "CGPC"), a subsidiary of the Company. According to Article 3, Paragraph 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and after evaluation under Paragraph 4 of the same Article, it is determined that the Company and CGPC are not "specific companies" as defined in the said regulations (which would otherwise negate independence). Therefore, independent directors of the Company and CGPC may concurrently serve in both entities. Furthermore, upon inquiry with the competent authority (Securities and Futures Bureau) regarding the legality of an independent director's spouse concurrently serving as an independent director, the response confirmed that since Mr. Chang, Chen-Ming herself may concurrently serve as an independent director of the Company, his spouse Mr. Chen Sheng-Te may also serve as an independent director of the Company, thus exempting the application of the relevant disqualification clause. Therefore, there were no events mentioned in Article 3, Paragraph 1 of the "Regulations Governing the Establishment and Compliance of Independent Directors of Public Companies" in the two years prior to the election and during the term of office.</p>	0
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- Note 1. Professional qualifications and experience: State the professional qualifications and experience of the individual directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, state their accounting or financial background and work experience, and indicate whether Article 30 of the Companies Act is absent.
- Note 2. For independent director, state the independence criteria, including but not limited to whether the director, the spouse and immediate family members or relatives within the second degree of kinship of the director are directors, supervisors, or employees of the Company or its affiliated companies; The number and proportion of the Company's shares held by the director, the spouse and immediate family members or relatives within the second degree of kinship of the director (or in the name of others); Whether the director is a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of Paragraph 5-8, Item 1, Article 3 of the Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed); Amount of remuneration obtained in the last 2 years for providing business, legal, financial, and accounting services to the Company or its affiliated companies.
- Note 3. For disclosure methods, please refer to the Best Practices Reference on the TWSE Corporate Governance Center website.
- Note 4. Tu, Tzu-Chun serves as an independent director of four other public offering companies, two of which are KGI Financial Holding Co., Ltd. and China Development Capital (stock) Company, which is 100% owned by him. According to Article 4 of the "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed", if the public offering company concurrently holds all the shares of a financial holding company, and concurrently holds more than one subsidiary, the number of exceeding members is included in the number of concurrent members, so the calculation according to this provision does not violate the rule that the number of concurrent members shall not exceed 3.

(2) Diversity and independence of the Board of Directors:

Diversity of the Board of Directors:

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

- Ability to make sound business judgments.
- Ability to perform accounting and financial analysis.
- Ability to manage a business.
- Ability to handle crisis management.
- Knowledge of the industry.

- An international market perspective.
- Leadership skills.
- Decision-making ability.

In addition to the eight competencies above, the Company has added two professional abilities, namely "legal capability" and "environmental protection" for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection. The current term of directors was elected on May 31, 2023, and one of the new directors, Chen, Sheng-Te, is an independent director with a master's degree in business administration from the University of Missouri, and has served as the head of the Taiwan region of Citigroup and the chairman of the Board of Directors of Fubon Commercial Bank in Taipei.

He possesses in-depth expertise in risk management in the financial and monetary fields, which is conducive to the enhancement of the quality of the Board of Directors' review of the motions, and the achievement of the goal of implementing the policy of diversifying the Board of Directors' membership.

The proportion of female directors on the Company's Board of Directors has not yet reached one-third. The primary reason is the limited availability of female professionals with substantial industry experience due to the characteristics of the industry. Therefore, the one-third requirement cannot be met in the short term. In the future, the Company will increase the number of qualified female directors in accordance with legal requirements and will consider suitable candidates from various fields during board member selection to achieve board diversity. In addition, in response to the increasing global focus on corporate sustainability, the Company intends to increase the number of directors with expertise in related fields to enhance the sustainable competitiveness of the Company and improve the function of the Board of Directors.

#### Independence of the Board of Directors:

The two independent directors of the Company, Chen, Chung and Hai, Ying-Chun, have served more than three consecutive terms. Among them, Director Chen, Chung has served as the President of the Executive Yuan, the head of the Ministry of Finance and Economics, and the head of the financial industry. He has many discussions and works on the financial situation and related public policy issues, and has professional experience in strengthening corporate governance, managing operational risks, and improving the operational efficiency of the Board of Directors; Currently serving as the Chairman of the Vision Engineering Foundation of the Consortium, the foundation has been focusing on the United Nations Sustainable Development Indicators (SDGs) for a long time, launching special reports and actions to seek effective solutions, which is of great help to our company in promoting sustainable development (ESG); Director Hai, Ying-Chun currently serves as the Chairman of Delta Electronics Industry (Stock) Company, with work experience in formulating the Company's operational development direction, planning organizational structure, promoting and implementing strategic innovation business development, strengthening corporate governance, and enhancing the effectiveness of board operations; Also serving as the Chairman of the Taiwan Climate Alliance, the organization brings in global climate fluctuations and successful carbon reduction experiences to assist domestic enterprises in moving towards the goal of net zero, which greatly benefits our company in promoting sustainable development (ESG).

Two of the directors are foreign nationals and the rest are native nationals. The proportion of composition is 44% of 4 independent directors; 22% of 2 employee directors. One Director is among 41-50 years old, one is among 51-60 years old, two are among 61-70 years old, three are 71-80 years old and two are aged over 80. Except for Quintin Wu and Yu, Ching-Shou, the directors of the Company who are two relatives by marriage, the other directors do not have spouses, immediate family members or relatives within the second degree of kinship.



## (II) General Manager, Deputy General Manager, Senior Managers, Heads of Departments and Branches:

March 31, 2025; Unit: Shares

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Shares Held		Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 2)	Other Positions Held in Other Companies	Managerial officers who are spouses or relatives within the second degree of kinship			Remark
					Number of share	Percentage of Ownership (%)	Number of share	Percentage of Ownership (%)	Number of share	Percentage of Ownership (%)			Title	Name	Relation	
Chief Executive Officer	Taiwan (R.O.C.)	Quintin Wu	Male	Mar 22, 2007	113,122	0.01%	—	—	0	0%	Chairman, USI Corporation	(Note 4)	No	No	No	(Note 3)
General Manager	Taiwan (R.O.C.)	Wu, Pei-Chi	Male	Sept 02, 2022	0	0%	0	0%	0	0%	(Note 5)	(Note 6)	No	No	No	No
Deputy General Manager:	Taiwan (R.O.C.)	Liu, Han- Tai	Male	Sept 08, 2009	0	0%	0	0%	0	0%	PhD in Chemical Engineering, Pennsylvania State University	(Note 7)	No	No	No	No
Deputy General Manager of Business	Taiwan (R.O.C.)	Wu, Ming- Tsung	Male	Jul 01, 2021	9	0%	0	0%	0	0%	Master of Chemical Engineering, National Taiwan University (Taiwan)	Directors: USIT (Shanghai), CLT, Ever Victory Global, Dynamic Ever Investments, ZTC, and USI (Xiamen) General Manager: ZTC and USI (Xiamen) Deputy General Manager of Business: Asia Polymer	No	No	No	No
Corporate Governance Officer	Taiwan (R.O.C.)	Chen, Yung-Chih	Male	May 13, 2019	0	0%	0	0%	0	0%	(Note 8)	(Note 9)	No	No	No	No
Sales Director (Note 10)	Taiwan (R.O.C.)	Tsung Kuo Lung	Male	Jun 01, 2022	0	0%	0	0%	0	0%	Master of Chemical Engineering, Datong Institute of Technology	Deputy General Manager: USI (Xiamen) Deputy Chief Executive Officer: USIT (Shanghai)	No	No	No	No
Sales Director (Note 10)	Taiwan (R.O.C.)	Huang, Ke- Ming	Male	Feb 05, 2025	0	0%	0	0%	0	0%	(Note 11)	Business Director: APC	No	No	No	No
Finance Manager	Taiwan (R.O.C.)	Yang, Wen- Li	Male	Dec 06, 2018	0	0%	0	0%	0	0%	(Note 12)	(Note 13)	No	No	No	No
Accounting Manager	Taiwan (R.O.C.)	Kuo, Chuan-Hua	Female	Sept 01, 2015	0	0%	0	0%	0	0%	Master of Accounting, Tamkang University (Taiwan)	Accounting Manager: Union Polymer Int'l Investment Corp. and USI Management Consulting Corporation	No	No	No	No

Note 1. Information regarding General Manager, Deputy General Manager, Senior Managers, Heads of Departments and Branches should be included, whereas information regarding positions equivalent to General Manager, Deputy General Manager or Senior Managers should be disclosed regardless of job title.

Note 2. Work experiences of any individual in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.

Note 3. If the General Manager or personnel with equivalent position (chief officer) and the Chairman are the same person, spouses or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the directors not serving as employees or officers concurrently) shall be addressed. Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainability Council, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

Note 4. Chairman: APC, CGPC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USIFE Investment Co., Ltd., CGPC Polymer Corporation, APC Investment, Taiwan United Venture Capital Corp., USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical.

Director: TVCM, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics (Kunshan) Co., Ltd., Golden Amber, ACME (Kunshan), ACME (Guang-Zhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, A.S. Holdings (UK), ASK-SWANSON (KUNSHAN), Acme Ferrite, Swanson (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, USIG (Shanghai), PT. Swanson Plastics Indonesia, USIGE, ZTC, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group, Acme Advanced Materials and USI (Xiamen).

General Manager: United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.

Chief Executive Officer: APC, CGPC, TTC, ACME, and USIO.

Executive Director: Chinese National Federation of Industries.

Note 5. General Manager, Thermosetting Materials Business Unit, Asia Pacific, Dow Chemical Company; Sales Director, Basic Plastics, Greater China; Sales Engineer, ESSO Taiwan Branch.

Note 6. Chairman: USIGE, Taita Chemical (Zhongshan), Taita Chemical (Tianjin), USIT (Shanghai), Zhangzhou Taita, and Zhangzhou Taiju, USI (Xiamen) and Zhangzhou Xuteng.

- Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., USI, APC, CGPC, CGTD, USIFE Investment, APC Investment, CLT, Swanson Plastics, STC, USI Education Foundation, TUVVC, UPIIC, UM, ACME (Kunshan), Fujian Gulei Petrochemical, USIO, and USI (Hong Kong), STC (Kunshan).
- General Manager: TTC, APC, CLT, USIG (Shanghai).
- Note 7. Director: Ever Victory Global, Dynamic Ever Investments, Ever Conquest Global, Swanson (Malaysia), CGPC, CGPC (Zhongshan), TVCM Corporation, CGTD, Swanson, TUVVC, USI, ZTC, ASK-SWANSON (KUNSHAN), Swanson (Tianjin), and Swanson (Kunshan).
- Supervisor: Fujian Gulei Petrochemical.
- Note 8. PhD. in Law, University of Munich, Germany; Arbitrator of Chinese Arbitration Association, Taipei.
- Lawyer: Winkler Partners - Attorneys at Law of Taiwan and Foreign Legal Affairs
- Note 9. Corporate Governance Officer: APC, CGPC, TTC, and Acme Electronics Corporation.
- Director: CGPC (Zhongshan), ACME (Kunshan), ACME (Guangzhou), Taita Chemical (Zhongshan), Taita Chemical (Tianjin), Zhangzhou Taita Chemical Co., Ltd., Zhangzhou Xuteng Property.
- Independent Director: Man Zai Industrial Co., Ltd.
- Supervisor: Union Polymer, ZTC, CLT, USI, USIO, Swanson, Swanson (Kunshan), Swanson (Tianjin), ASK-Swanson, USIFE Investment, APC Investment, Taiwan United Venture Capital Corporation, TUVVM, Delmind Inc., GGTC, TVCM, INOMA (in liquidation), Cerebra Technologies Co., Ltd., and FiduciaEdge Technologies Co., Ltd.
- Note 10. Business Director duties were adjusted and succeeded by Huang, Ke-Ming on February 5, 2025.
- Note 11. Department of Fiber Engineering Technology, Industrial Technology Institute of Taiwan, Deputy General Manager and Business Director of ZTC.
- Note 12. Master of Accountancy and Information Systems, Cleveland State University; Senior Vice President, Chief Financial Officer, and Spokesperson, Apex Medical Corp.; Executive Assistant to CEO of Primax Electronics Ltd. and Vice President of US subsidiary; CPA (USA).
- Note 13. Director: GPC (BVI), Forever Young, Swanlake, Taita (BVI), USI International, Taiwan United Venture Capital Corp., Taiwan United Venture Management Corp., Ever Victory Global, Dynamic Ever Investments, TTC (Zhongshan), CGPC (Zhongshan), Zhangzhou Taita Chemical, and USI Management Consulting Corporation.
- Supervisor: USI (Shanghai), Fujian Gulei Petrochemical, Zhangzhou Taiju, ACME (Kunshan), PT. Swanson Plastics Indonesia., Xuteng Property and USI (Xiamen).

(III) If the Chairman, General Manager, or personnel with an equivalent position (top-level manager) are the same person, spouses, or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the Directors not serving as employees or managerial officers concurrently) shall be addressed:

Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency.

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



## II. Remuneration Paid to Directors (Including Independent Directors), Supervisors, General Manager, and Deputy Manager During the Most Recent Fiscal Year

- I. If any of the following applies to a Company, the name of the Director or Supervisor involved and the remuneration paid to him/her shall be disclosed. For the remaining Directors or Supervisors, the Company may opt to either disclose information in aggregate remuneration with their names indicated in each numerical range or disclose their names and method of remuneration individually (If the latter is chosen, please fill their positions, names and remuneration amounts individually. The Company shall not need to fill the table for ranges of remuneration):
- (I) The name and remuneration of the "directors and supervisors" should be disclosed individually if pre-tax losses have been recorded in its parent company-only or individual financial statements in the most recent three (3) fiscal years. However, the preceding sentence shall not apply if the Company's parent company-only or individual financial statements in the most recent fiscal year indicates a net income after taxes which is sufficient to cover cumulative losses [Note 1].
  - (II) A company with directors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual directors. A company with supervisors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual supervisors [Note 2].
  - (III) A company with an average ratio of shares pledged by directors or supervisors that exceeds 50 percent in any three (3) months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor who owns a ratio of shares pledged that exceeds 50 percent for each of these three months [Note 3].
  - (IV) If the total amount of remuneration received by all the directors and supervisors of a company from all the companies listed in its financial statements exceeds two (2) percent of its net income after taxes, and the amount of remuneration received by any individual director or supervisor exceeds NT\$15 million, the Company shall disclose the amount of remuneration paid to individual directors or supervisors. (Description: The remuneration of Directors and Supervisors is calculated based on "Remuneration of Directors" plus "Remuneration of Supervisors" as in the Appendix without including the relevant remuneration received as concurrent employees.)
  - (V) A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the Company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the Company shall be excluded from evaluation. [Note 4]
  - (VI) The average annual salary of a full-time employee of TWSE/TPEX Listed Companies who does not hold a managerial position in the most recent year has not reached NT\$500,000. [Note 5]
  - (VII) Net profit after tax of TWSE/TPEX Listed Companies in the most recent year has increased by more than 10%, but the average annual salary of full-time employees who do not hold supervisory positions has not increased over the previous year. [Note 6]

(VIII) The after-tax profit and loss of the TWSE/TPEX Listed Companies in the most recent year decreased by 10% and exceeded NT\$5 million, and the average remuneration per director (excluding the remuneration of part-time employees) increased by 10% and exceeded NT\$100,000. [Note 7]

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

【Note 1.】 For example, Suppose the 2019 Annual Report was prepared by the Shareholders' Meeting in 2020, if it is a loss after tax in the Company's parent company only or individual financial statements in any year from 2017 to 2019, individual disclosure shall be adopted. However, although it was a loss after tax in the parent company only or individual financial statements for the fiscal year of 2017 and/or 2018, but the net profit after tax in the parent company only or individual financial statements for the fiscal year of 2019 is sufficient to make up for the accumulated losses; thus, individual disclosure is not may not be adopted.

【Note 2.】 Example: Suppose the 2009 Annual Report was prepared by the Shareholders' Meeting in 2010. The Company should opt for individual disclosure of remuneration information if its directors or supervisors were found to have insufficient shareholding percentages for three (3) or more consecutive months between January 2009 and December 2009. In another example, if the Company's directors or supervisors were found to have insufficient shareholding percentages in January 2009 for three (3) or more consecutive months (i.e. three consecutive months including November 2008, December 2008 and January 2009), the Company should opt for individual disclosure of remuneration information.

【Note 3.】 Example: Suppose the 2009 Annual Report was prepared by the Shareholders' Meeting in 2010. If the ratio of shares pledged by all the directors of a company exceeded 50 percent in three separate months within 2009 (e.g. February, May and August 2009 in any three months), the Company shall disclose the amount of remuneration paid to each director for the months when the ratio of shares pledged exceeded 50 percent, namely February, May and August 2009. In another example, if the ratio of shares pledged by the supervisors of a company exceeded 50 percent in any three months, the Company shall disclose the amount of remuneration paid to each supervisor for the months when the ratio of shares pledged exceeded 50 percent.

※The average ratio of share pledged by all Directors per month: Number of shares pledged by all Directors / Number of shares held by all Directors (including retained decision-making trust shares). The average ratio of shares pledged by all Supervisors per month: Number of shares pledged by all Supervisors / Number of shares held by all Supervisors (including retained decision-making trust shares).

【Note 4.】 For example: Take the 2023 annual report prepared by the 2024 annual meeting of shareholders as an example, according to the results of corporate governance evaluation are more than published in April each year, when the annual report of the shareholders' meeting of TWSE/TPEX Listed Companies is published, if the results of corporate governance evaluation of the most recent year (that is, 2023) have not been published, it can first be handled according to the results of corporate governance evaluation of the most recent year (such as 2022). After the results of the latest annual corporate governance review are published, if the remuneration is disclosed for the last two levels of the corporate governance review and the original method of disclosure of names by summarizing and matching the grades, the annual report of the shareholders' meeting shall be amended immediately, and the Market Observation Post System (MOPS) shall be uploaded to practice the integrity of information disclosure.

【Note 5.】 Example: Suppose the 2021 Annual Report was prepared by the Shareholders' Meeting in 2022. If a TWSE Listed or TPEX Listed company prepares the annual report of the shareholders' meeting after the end of the most recent year (i.e. 2021), the annual average salary of full-time employees who are not in charge of their positions in the most recent year (2021) has been fully collected. Therefore, the most recent year (2021) data should be used to assess whether the amount is less than NT\$500,000. The remuneration of individual directors and supervisors for the most recent year shall be disclosed.

【Note 6.】 For example, taking the preparation of the 2023 annual report at the 2024 shareholders' meeting as an example, the net profit after tax of a TWSE/TPEX Listed Company's 2023 financial report has increased by more than 10% compared to 2022 (this calculation should also apply if the Company is in loss in 2022 and in profit in 2023). However, if the average annual salary of full-time employees who do not hold supervisory positions has not increased compared to 2022, the remuneration of individual directors should be disclosed. Net profit after tax refers to the net profit after tax of the individual or individual financial report for the most recent year. The definition and calculation method of full-time employees and their salaries shall be handled in accordance with the Taiwan Stock Exchange Corporation's Regulations on Information Reporting of Overseas Fund Institutions Listed on Securities and Overseas Index Stock Funds, as well as the Taiwan Securities Center's Regulations on Information Reporting of OTC Companies Listed on Securities, as well as the regulations on the reporting of salary information for full-time employees who do not hold supervisory positions.

【Note 7.】 For example: Taking the 2023 annual report prepared by the shareholders' meeting in 2024 as an example, the after-tax profit and loss of the financial report of TWSE/TPEX Listed Companies in 2023 decreased by more than 10% compared with that of 2022, and the amount reached more than NT\$5 million (applicable to the Company regardless of after-tax net profit or loss), and the average remuneration of each director (excluding the remuneration of part-time employees) increased by 10%. If it exceeds NT\$100,000, the remuneration of individual directors shall be disclosed. After-tax profit or loss refers to the after-tax profit or loss of an individual or individual financial report for the most recent year.



## (I) Remuneration to Directors and Independent Directors

## (1) Name and remuneration shall be disclosed individually

Unit: NT\$ thousand

Title	Name (Note 1)	Remuneration								Percentage of the total of 4 items A, B, C, D, and net income after taxes (Note 10)		Relevant remuneration received by directors who also serve as employees						Percentage of the total of 7 items A, B, C, D, E, F, G, and net income after taxes (Note 10)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Notes 9 and 11)		
		Remuneration (A) (Note 2)		Separation Pay and Pension (B)		Director's Rewards (C)(Note 3)		Business Expenses (D) (Note 4)				Salaries, Bonuses and Special Allowances (E) (Note 5)		Separation Pay and Pension (F)		Employee Rewards (G) (Note 6)						
		The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)		The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)
Chairman	Quintin Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited)	0	0	0	0	0	0	16	108	16 (0.00%)	108 (0.01%)	11,978	29,173	108	108	0	0	0	0	12,102 (0.56%)	29,389 (1.37%)	2,570
Director	Yu, Ching-Shou (Representative of Asia Polymer Corporation)	1,000	1,000	0	0	0	0	136	196	1,136 (0.05%)	1,196 (0.06%)	0	0	0	0	0	0	0	0	1,136 (0.05%)	1,196 (0.06%)	No
Director	Kao, Che-I (Representative of Asia Polymer Corporation)	0	0	0	0	0	0	1,026	1,154	1,026 (0.05%)	1,154 (0.05%)	0	0	0	0	0	0	0	0	1,026 (0.05%)	1,154 (0.05%)	No
Director	Wu, Pei-Chi (Representative of Taita Chemical Company, Ltd.)	0	0	0	0	0	0	16	88	16 (0.00%)	88 (0.00%)	5,739	14,348	72	108	0	0	0	0	5,827 (0.27%)	14,544 (0.68%)	No
Director	Wu, Hung Ting (Representative of Shing Lee Enterprise (Hong Kong) Limited)	1,000	1,000	0	0	0	0	336	336	1,336 (0.06%)	1,336 (0.06%)	0	0	0	0	0	0	0	0	1,336 (0.06%)	1,336 (0.06%)	No
Independent Director	Chen, Chung	1,500	1,500	0	0	0	0	160	160	1,660 (0.08%)	1,660 (0.08%)	0	0	0	0	0	0	0	0	1,660 (0.08%)	1,660 (0.08%)	No
Independent Director	Tu, Tzu-Chun	1,500	1,500	0	0	0	0	164	164	1,664 (0.08%)	1,664 (0.08%)	0	0	0	0	0	0	0	0	1,664 (0.08%)	1,664 (0.08%)	No
Independent Director	Hai, Ying-Chun	1,500	1,500	0	0	0	0	160	160	1,660 (0.08%)	1,660 (0.08%)	0	0	0	0	0	0	0	0	1,660 (0.08%)	1,660 (0.08%)	No
Independent Director	Chen, Sheng-Te	1,500	1,500	0	0	0	0	160	160	1,660 (0.08%)	1,660 (0.08%)	0	0	0	0	0	0	0	0	1,660 (0.08%)	1,660 (0.08%)	No

- Please describe the policy, system, standards and structure of the compensation of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment: The remuneration of Independent Directors is determined in accordance with the Company's Articles of Incorporation and the remuneration policies and regulations. It is also determined by their level of participation in the Company's operations, value of their contribution, and median pay in the industry. The methods of distribution are filed to the Remuneration Committee for approval and the Board of Directors for resolution before implementation. Independent Directors do not receive other remuneration except for the fixed remuneration.
- Unless disclosed above, the Directors of the current year received remuneration for providing services (such as serving as a non-employee consultant of the parent company/all the companies included in the financial statements/investee Companies) to the companies listed in the consolidated financial statements: None.

## (2) Pay scale table: N/A

- Note 1. The name of Directors shall be listed, respectively (for institutional shareholders, the name of institutional shareholders and their representatives shall be listed, respectively), and the name of Directors and Independent Directors shall be listed respectively; the payment amount shall be disclosed in aggregation. This table and table (3-1), or tables (3-2-1) and (3-2-2) below shall be filled out if a Director concurrently serves as the General Manager or Deputy General Manager.
- Note 2. Compensation received by a director in the most recent fiscal year (including director's salary, job-related allowances, separation pay, various bonuses and incentives).
- Note 3. Fill in the amount of rewards approved by the Board of Directors and distributed to the directors in the most recent fiscal year.
- Note 4. Business expenses paid to the directors in the most recent fiscal year (including services and goods provided such as transportation allowances, special allowances, various allowances, accommodation and vehicle). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note.
- Note 5. Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including general manager, deputy general manager, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The three drivers' annual remuneration amounted to NT\$3,247 thousand; The cost of two official cars were NT\$9,141 thousand, and the book value at the end of 2024 was NT\$5,665 thousand; The annual rent of the leased houses amounted to NT\$546thousand. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration: None.
- Note 6. If a director concurrently with employees (including general manager, deputy general manager, other managers and employees) receives employee compensation (including stock and cash) in the most recent year, the amount of employee compensation approved by the Board of Directors for the most recent year shall be disclosed, and if it is impossible to estimate, the proposed amount of this year's distribution shall be calculated in proportion to the actual amount of last year's distribution, and Table 1-3 shall be filled out separately.
- Note 7. The total amount of all the remuneration paid to the Company's directors by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.
- Note 8. The Company shall pay each director the total amount of remuneration and disclose the name of the director in the class to which he belongs. (Not applicable.)
- Note 9. The total amount of all the remuneration paid to each Director of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements. (Not applicable.)
- Note 10. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.
- Note 11.
- The amount of remuneration received from subsidiaries other than investee companies or the parent company by the Company's Directors shall be stated clearly in this column (please specify "none" if there is no remuneration).
  - If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries shall be combined into Column I of the table for range of remuneration, and this column shall be renamed "Parent Company and All Investees".
  - The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the Director serving as a director, supervisor or manager of an investee company or parent company of the Company other than subsidiaries.
  - The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.

\* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.

## (II) Remuneration Paid to Supervisors: Not applicable.



## (III) Remuneration Paid to General Manager and Deputy General Manager

## (1) Name and remuneration shall be disclosed individually

Unit: NT\$ thousand

Title	Name (Note 1)	Salary (A) (Note 2)		Separation Pay and Pension (B)		Bonuses and Allowances(C) (Note 3)		Dollar Amount of Employee rewards (D) (Note 4)				Percentage of the total of 4 items A, B, C, D, and net income after taxes (Note 8)		
		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company		All the Companies Listed in the Consolidated Financial Statements (Note 5)		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Notes 7 and 9)
								Cash	Stock	Cash	Stock			
Chief Executive Officer	Quintin Wu	6,762	21,342	108	108	5,216	7,831	0	0	0	0	12,086 (0.56%)	29,281 (1.36%)	2,570
General Manager	Wu, Pei-Chi	2,153	5,384	72	108	3,586	8,964	0	0	0	0	5,811 (0.27%)	14,456 (0.67%)	No
Deputy General Manager:	Liu, Han-Tai	4,017	4,017	108	108	5,948	6,743	0	0	0	0	10,073 (0.47%)	10,868 (0.51%)	No
Deputy General Manager of Business	Wu, Ming-Tsung	1,775	2,958	450	450	1,281	2,135	0	0	0	0	3,506 (0.16%)	5,543 (0.26%)	No

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

## (2) Pay scale table: N/A

- Note 1. The name of the general manager and deputy general manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, his/her name and the amount of remuneration paid to him/her shall be listed in Table (1-1) or (1-2-1) and (1-2-2) above.
- Note 2. Fill in the salary, job-related allowances and severance pay received by the General Manager and Deputy General Manager in the most recent fiscal year.
- Note 3. Fill in the amount of various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation and vehicle received by the General Manager and Deputy General Manager in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The two drivers' annual remuneration amounted to NT\$2,406 thousand; The cost of two official cars were NT\$9,141 thousand, and the book value at the end of 2024 was NT\$5,665 thousand; The annual rental of the deputy general Manager's rental house and rental car are NT\$859 thousand and NT\$440 thousand respectively, with fuel expenses of NT\$26 thousand. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration: None.
- Note 4. Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the general manager and deputy general manager in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the most recent fiscal year.
- Note 5. The total amount of all the remuneration paid to the Company's General Manager and Deputy General Manager by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.
- Note 6. The name of each General Manager and Deputy General Manager shall be disclosed in the range of remuneration corresponding to the amount paid to the General Manager and Deputy General Manager by the Company. (Not applicable.)
- Note 7. The total amount of all the remuneration paid to each general manager and deputy general manager of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each general manager and deputy general manager shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.
- Note 8. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.
- Note 9.
- a. This field shall clearly indicate the amount of remuneration received by the Company's General Manager or Deputy General Manager from investees other than subsidiaries or the parent company (if not, please fill in "none").
  - b. If the General Manager or Deputy General Managers of the Company receive remuneration from investees other than subsidiaries or the parent company, the remuneration received by the General Manager or Deputy General Managers of the Company from investees other than subsidiaries or the parent company shall be included in Column E in the Range of Remuneration Table, and the column shall be renamed "Parent Company and All Investees".
  - c. Remuneration in this case refers to remuneration, bonuses (including employee, Director, or supervisor compensation), and allowances received by the General Manager or Deputy General Managers of the Company as the Directors, supervisors, or managerial officers of investees other than subsidiaries or the parent company.
  - d. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.
- \* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.



## (IV) The remuneration of the top five remuneration executives of TWSE/TPEX Listed Companies

## (1) Name and remuneration shall be disclosed individually

Unit: NT\$ thousand

Title	Name (Note 1)	Salary (A) (Note 2)		Separation Pay and Pension (B)		Bonuses and Allowances(C) (Note 3)		Dollar Amount of Employee rewards (D) (Note 4)				Percentage of the total of 4 items A, B, C, D, and net income after taxes (Note 6)			Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Notes 7)
		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company		All the Companies Listed in the Consolidated Financial Statements (Note 5)		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Notes 7)	
								Cash	Stock	Cash	Stock				
Chief Executive Officer	Quintin Wu	6,762	21,342	108	108	5,216	7,831	0	0	0	0	12,086 (0.56%)	29,281 (1.36%)	2,570	
General Manager	Wu, Pei-Chi	2,153	5,384	72	108	3,586	8,964	0	0	0	0	5,811 (0.27%)	14,456 (0.67%)	No	
Deputy General Manager:	Liu, Han-Tai	4,017	4,017	108	108	5,948	6,743	0	0	0	0	10,073 (0.47%)	10,868 (0.51%)	No	
Deputy General Manager of Business	Wu, Ming-Tsung	1,775	2,958	450	450	1,281	2,135	0	0	0	0	3,506 (0.16%)	5,543 (0.26%)	No	
Director of Business Division	Tseng, Kuo-Lung	2,059	2,059	108	108	859	859	0	0	0	0	3,026 (0.14%)	3,026 (0.14%)	No	

Note 1. The "Top Five Remuneration Supervisors", the supervisor refers to the Company's managers, to the identification standards of the relevant managers, in accordance with the former Ministry of Finance Securities and Futures Regulatory Commission on March 27, 2003, Ref. No. Tai Tsai Cheng San Tzu 0920001301 letter of application of the "Manager". As for the calculation and determination principle of "the Top Five Highest Remuneration", it is determined based on the total amount of salary, retirement pension, bonus, and special expenses received by the Company manager from all companies in the consolidated financial report, as well as the total amount of employee remuneration (i.e. A+B+C+D four items), and sorted to determine the top five highest remuneration. If the director concurrently serves as the former manager, this form and the above table should be filled out (1-1).

Note 2. Fill in the salary, job bonus and severance pay of the top five remunerated executives in the most recent year.

Note 3. Fill in the amount of bonuses, incentives, transportation expenses, special expenses, various allowances, dormitory, car and other in-kind offers and other remuneration of the top five remuneration executives in the most recent year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The two drivers' annual remuneration amounted to NT\$2,406 thousand; The cost of two official cars were NT\$9,141 thousand, and the book value at the end of 2024 was NT\$5,665 thousand; The annual rental of the deputy general Manager's rental house and rental car are NT\$859 thousand and NT\$440 thousand respectively, with fuel expenses of NT\$26 thousand. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration: None.

Note 4. The compensation amount (including stock and cash) approved by the Board to distribute the top five remuneration executives in the most recent year, if it is not possible to estimate, the proposed distribution amount for this year is calculated in proportion to the actual distribution amount of last year, and a separate Table 1-3 should be provided.

Note 5. The total amount of all the remuneration paid to the Company's top 5 directors by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.

Note 6. Net income after taxes refers to net income after taxes in the most recent fiscal year.

Note 7.

- The amount of remuneration received from subsidiaries other than investee companies or the parent company by the Company's Directors shall be stated clearly in this column (please specify "none" if there is no remuneration).
- The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the Director serving as a director, supervisor or manager of an investee company or parent company of the Company other than subsidiaries.

(V) Name of managerial officers who distribute employee bonuses and the situation of distribution

December 31, 2024  
Unit: NT\$ thousand

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Percentage of total compensations on NIAT (%)
Managerial Officers	Chief Executive Officer	Quintin Wu	0	0	0	0
	General Manager	Wu, Pei-Chi				
	Deputy General Manager:	Liu, Han-Tai				
	Deputy General Manager of Business	Wu, Ming-Tsung				
	Corporate Governance Officer	Chen, Yung-Chih				
	Director of Business Division	Tseng, Kuo-Lung				
	Finance Manager	Yang, Wen-Li				
	Accounting Manager	Kuo, Chuan-Hua				

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

Note 2. Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the managerial officers in the most recent fiscal year. If this amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year. Net income after taxes refers to net income after taxes in the most recent fiscal year. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.

Note 3. The scope of application for the term "managerial officer" shall follow the approved document with Ref. No. Tai Tsai Cheng San Tzu 0920001301 dated March 27, 2003. Its scope of application shall be as follows:

- (1) General Manager and Equivalent
- (2) Deputy General Manager and Equivalent
- (3) Senior Manager and Equivalent
- (4) Supervisor of Finance Department
- (5) Supervisor of Accounting Department
- (6) Other Personnel Authorized to Manage the Company's Affairs and Sign for Approval

Note 4. Directors, General Manager and Deputy General Manager who receive employee rewards (including shares and cash) shall be listed not only in Table 1-2, but also in this table.

Note 5. There was a loss after tax and therefore no employee compensation was distributed in 2024.



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

1. Analysis of percentages of remuneration paid to directors, general manager and deputy general manager:

Item Title	The Company				All the Companies Listed in the Consolidated Financial Statements			
	2024		2023		2024		2023	
	Total	Percentage of the net profit after tax	Total	Percentage of the net profit after tax	Total	Percentage of the net profit after tax	Total	Percentage of the net profit after tax
General Directors' remuneration (Note 1)	3,530	(0.16%)	3,878	(1.87%)	3,882	(0.18%)	4,152	(2.01%)
Independent Directors' remuneration (Note 1)	6,644	(0.31%)	5,923	(2.86%)	6,644	(0.31%)	5,923	(2.86%)
General Directors' remuneration (Note 2)	21,427	(1.00%)	23,996	(11.59%)	47,619	(2.22%)	51,357	(24.81%)
Independent Directors' remuneration (Note 2)	6,644	(0.31%)	5,923	(2.86%)	6,644	(0.31%)	5,923	(2.86%)
General Managers and Deputy General Managers	31,476	(1.47%)	34,896	(16.86%)	60,148	(2.80%)	65,022	(31.41%)
Net income after taxes	(2,147,470)	-	(207,006)	-	(2,147,470)	-	(207,006)	-

Note 1. Excluding the remuneration to those who work as employees concurrently.

Note 2. Including the remuneration to those who work as employees concurrently.

On May 31, 2023, the Company held a shareholders' meeting to re-elect the Board of Directors, resulting in the reduction of one regular director and the addition of one independent director. Consequently, total annual compensation for independent directors in 2024 increased compared to post-election 2023. Meanwhile, due to a decrease in net income after tax in 2024, compensation for regular directors declined. Total compensation for the General Manager and Deputy General Manager also decreased compared to 2023, primarily due to reduced bonuses stemming from lower net income after tax.

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

### (1) Remuneration Policies, Standards and Packages

- The remuneration of the directors is in accordance with Article 19-1 of the Company's Articles of Incorporation, which stipulates, "Regardless of the Company's operating profit or loss, the remuneration shall be based on the value of their participation in and contribution to the Company's operations, with the industry standards in the R.O.C. as a reference". The remuneration of the directors shall not exceed one percent of the profit for the year, and the remuneration of the employees shall not be less than one percent of the profit for the year in accordance with Article 34 of the Company's Articles of Incorporation. The foregoing remuneration is determined with reference to the

Company's operating performance and the results of the evaluation of the directors' performance. In addition, the transportation allowances shall be paid according to the resolution of the shareholders' meeting, except that Managerial Officers who concurrently serves as a Director of the Company shall not receive the transportation allowance. In addition, the transportation allowances shall be paid according to the resolution of the shareholders' meeting, except that Managerial Officers who concurrently serves as a Director of the Company shall not receive the transportation allowance. The aspects of performance evaluation for the Directors: Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.

- Remuneration for managers shall be approved by the Board of Directors in accordance with relevant personnel regulations of the Company and Article 31 of the articles of association, and shall be determined in consideration of operating performance. Performance evaluation covers multiple dimensions, including financial (operating revenue, operating profit, and pre-tax net income), customer (customer satisfaction, service quality, development of key markets, etc.), product (brand management, quality innovation, etc.), talent (talent development, potential enhancement, etc.), safety (zero pollution, zero emissions, zero occupational injuries, zero incidents, zero failures), and project aspects (digital transformation, energy conservation and carbon reduction, circular economy, net-zero emissions, etc.). Among these, sustainability-related indicators account for at least 20% of the total weight, with climate-related items comprising no less than 5%. Relevant indicators are established based on the short-, medium-, and long-term plans outlined in the Company's ESG Report regarding its sustainability vision and goals.
- The Company's remuneration packages, according to the organization rules of the Remuneration Committee, including cash remuneration, stock options, dividends, retirement benefits or severance benefits, various allowances and other measures with substantial incentives; Its scope is consistent with that of directors and managers in the criteria of annual retribution records of public issuing companies.

## (2) Procedures for determining remuneration

- To evaluate the remuneration of directors and managers on a regular basis, based on the results of the evaluation conducted by the Company's "Regulations Governing the Evaluation of the Performance of the Board of Directors" and the applicable "Performance Examining Methods for Group Employee" for managers and employees.
- The relevant performance assessment and compensation rationality of directors and managers are assessed and reviewed annually by the Remuneration Committee and the Board of Directors. In addition to referring to the performance achievement rate and contribution to the Company, the Company's overall operating performance, future risks and development trends of the industry, as well as timely review of the remuneration system based on the actual operating conditions and relevant laws and regulations, reasonable remuneration will be given, to seek the Company's sustainable operation and risk control balance.

## (3) The correlation with the Company's business performance and future risk exposure

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

### III. Implementation of Corporate Governance

#### (I) Operations of the Board of Directors

A total of 4 meetings (A) were held by the Board of Directors in the most recent fiscal year (2024). The attendance of the members of the Board are as follows:

Title	Name (Note 1)	4th Meeting of the 21st Term 03/08/2024	5th Meeting of the 21st Term 05/10/2024	6th Meeting of the 21st Term 08/08/2024	7th Meeting of the 21st Term 11/07/2024	Number of Attendance in Person B	Attendance by Proxy	Rate of Attendance in Person (%) [B/A] (Note 2)	Remark
Chairman	Quintin Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited)	◎	◎	◎	◎	4	0	100.00	Reappointed
Director	Yu, Ching-Shou (Representative of Asia Polymer Corporation)	◎	◎	◎	◎	4	0	100.00	Reappointed
Director	Kao, Che-I (Representative of Asia Polymer Corporation)	◎	◎	◎	◎	4	0	100.00	Reappointed
Director and General Manager	Wu, Pei-Chi (Representative of Taita Chemical Company, Ltd.)	◎	◎	◎	◎	4	0	100.00	Reappointed
Director	Wu, Hung Ting (Representative of Shing Lee Enterprise (Hong Kong) Limited)	◎	◎	◎	◎	4	0	100.00	Reappointed
Independent Director	Chen, Chung	◎	◎	◎	◎	4	0	100.00	Reappointed
Independent Director	Tu, Tzu-Chun	◎	◎	◎	◎	4	0	100.00	Reappointed
Independent Director	Hai, Ying-Chun	◎	◎	◎	◎	4	0	100.00	Reappointed
Independent Director	Chen, Sheng-Te	◎	◎	◎	◎	4	0	100.00	Newly Appointed

Note 1. For directors who are institutions, the name of institutional shareholders and their representatives shall be disclosed.

Note 2.

- (1) Where directors or supervisors resign before the end of the year, the "remark" column shall be annotated with the date of resignation. Actual presence (attendance) rate (%) shall be calculated using the number of Directors' Meetings convened and actual presence (attendance) during the term of service.
- (2) If directors or supervisors are re-elected before the end of the fiscal year, incoming and outgoing directors or supervisors shall be listed accordingly, and the Remark column shall indicate whether the status of a director is "outgoing", "incoming" or "re-elected", and the date of re-election. The director's percentage of attendance in person (%) should be calculated based on the number of Board of Directors' Meetings held and the actual attendance in person during his/her term of office.

Note 3. Attendance in person:◎.

**Other matters to be noted:**

1.If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors’ Meeting, as well as the resolutions, opinions of independent Directors and the Company's actions in response to the opinions of independent Directors shall be stated:

(1)Items listed in Section 3, Article 14 of Securities and Exchange Act:

The Company has established an Audit Committee. For the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the operation of the Audit Committee in this annual report.

(2)Other resolutions of the Board, which the Independent Director(s) voiced dissenting or qualified opinions that are documented or issued through a written statement in addition to the above: No such occurrences.

2.In regards to the recusal of directors from voting due to conflict of interests, the name of the directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes should be stated:

Name of Director	Proposal	Reason for recusal	Participation in Voting	Remark
Quintin Wu Wu, Pei-Chi	Removal of the non-competition restriction on directors at the Annual General Meeting.	The director abstaining from voting is the party subject to the lifting of the non-compete restriction in this case.	Did not participate in voting	4th Meeting of the 21st Term 03/08/2024
	Donations to the USI Education Foundation	They recused themselves due to conflict of interest as they serve as Directors of the foundation.		
Wu, Pei-Chi	Managerial officers engage in competitions	Directors had conflicts of interest.	Did not participate in voting	4th Meeting of the 21st Term 03/08/2024 7th Meeting of the 21st Term 11/07/2024



## Corporate Governance Report

3. TWSE/TPEX Listed Companies shall disclose information regarding cycle, period, scope, and method of self- (or peer) evaluation of the Board of Directors and fill out the implementation status of the evaluation of the Board in the following table.

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
Annually	January 1, 2024 To December 31, 2024	Board of Directors Performance Evaluation	Board of Directors Self-evaluation	I. Board of Directors Performance Evaluation 1. Degree of participation in the Company's operations 2. Improvement in the quality of decision-making of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of the Directors 5. Internal control
		Performance evaluation of individual director member	Board of Directors Self-evaluation of the members	II. Performance evaluation of director members 1. Understanding of the Company's goals and tasks 2. Understanding of the Director's responsibilities 3. Degree of participation in the Company's operations 4. Management and communication of the internal relations 5. Expertise and continuing education of the Directors 6. Internal control
		Evaluation of functional committees' performance	Self-evaluation of the members of functional committees	III. Evaluation of the Audit Committee's Performance 1. Degree of participation in the Company's operations 2. Understanding of the Audit Committee's roles and responsibilities 3. Improvement in the Audit Committee's decision-making quality 4. Composition of the Audit Committee and selection of committee members 5. Internal control
				IV. Performance evaluation of the Remuneration Committee 1. Degree of participation in the Company's operations 2. Understanding of the Remuneration Committee's roles and responsibilities 3. Improvement in the Remuneration Committee's decision-making quality 4. Composition and member selection of the Remuneration Committee
				V. Sustainability Council Performance Evaluation 1. Degree of participation in the Company's operations 2. Responsibility awareness of Sustainability Council 3. Improvement in the Sustainability Council's decision-making quality 4. Composition of the Sustainability Council and selection of committee members

※ The performance evaluation results of the Board of Directors and functional committees of 2024 have been submitted to the first meeting of the Board of Directors of 2025 on March 10, 2025, and disclosed on the Company's website after the meeting, capable of accurately evaluating and supervising the Company's existing and potential risks and providing a basis for improvement.

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

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

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

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

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

(1) Performance evaluation of the Board of Directors: It shall at least include the degree of participation in the Company's operations, the quality of decision-making of the Board of Directors, the composition and

structure of the Board of Directors, the selection and continuous learning of directors, and internal control.

- (2) Evaluation of individual Directors' performance: It shall at least include the knowledge about the Company's objectives and tasks, the understanding of Director duties, the participation in the Company's operations, the internal relationship management and communication, Directors' specialties and continuous learning, and internal control.
- (3) Performance evaluation of functional committees: Degree of participation in the Company's operations, knowledge of the duties of the functional committee, improvement in the quality of functional committee decisions, functional committee composition and election of members, and internal control.

4. The targets for strengthening the functions of the Board of Directors in the current year and recent years (such as the establishment of the Audit Committee and enhancement of information transparency) and the assessment of implementation:

- (1) The Board of Directors operates in compliance with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholders' meeting. In addition to possess necessary professional knowledge to carry out their duties, all Directors shall act in accordance with the principles of honesty and good faith and their due obligations, to create the maximum interests for all shareholders.
- (2) The Company constantly pays attention to changes in laws and regulations of the competent authority, reviews its Rules of Procedure for Board of Directors' Meetings and Rules Governing the Scope of Powers of Independent Directors, and evaluates its Audit Committee Charter, Remuneration Committee Charter in due course. The Company really seeks to improve information transparency in accordance with the amended laws, and the implementation of these regulations has been favorable.
- (3) To have a corporate governance officer to safeguard shareholders' interests and to strengthen the functions of the Board of Directors, the Corporate Governance Officer was established to support operations of the Board on May 13, 2019.
- (4) The Company has formed functional committees such as the Remuneration Committee in 2011 the Audit Committee in 2014 and Sustainability Council in 2018, respectively, and continues to improve the effectiveness of these functional committees.
- (5) The Company's website and the MOPS disclose relevant information on the Company's compliance with related regulations and major resolutions of the Board of Directors to help shareholders understand the Company's development and enhance the transparency of the Company's information.
- (6) The Company organizes 6 hours of directors training sessions each year and assists directors to participate in external corporate governance courses:

Title	Name	Date of Course	Organized by	Course Title	Duration of the Course
Chairman	Quintin Wu	07/11/2024	Securities & Futures Institute	Digital Transformation and the Future of AI – Sharing on Generative AI Application Cases	3
		10/16/2024	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
Director	Yu, Ching-Shou	07/11/2024	Securities & Futures Institute	Digital Transformation and the Future of AI – Sharing on Generative AI Application Cases	3
		10/16/2024	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
Director	Kao, Che-I	10/16/2024	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
		11/22/2024	Greater China Financial and Economic Development Association (GCFDA)	Circular Economy and New Trends in Sustainable Operations	3



Title	Name	Date of Course	Organized by	Course Title	Duration of the Course
Director and General Manager	Wu, Pei-Chi	07/11/2024	Securities & Futures Institute	Digital Transformation and the Future of AI – Sharing on Generative AI Application Cases	3
		09/30/2024	Taiwan Stock Exchange (TWSE)	Taiwan Capital Market Summit	3
Director	Wu, Hung Ting	07/11/2024	Securities & Futures Institute	Digital Transformation and the Future of AI – Sharing on Generative AI Application Cases	3
		10/16/2024	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
Independent Director	Chen, Chung	07/11/2024	Securities & Futures Institute	Digital Transformation and the Future of AI – Sharing on Generative AI Application Cases	3
		10/16/2024	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
Independent Director	Tu, Tzu-Chun	01/26/2024	Taiwan Corporate Governance Association	2024 Taiwan Economic Outlook	3
		02/27/2024	Taiwan Institute of Directors	Global Economic Outlook	3
		03/29/2024	Taiwan Corporate Governance Association	Production Technology and Market Development of High-Value Steel Products	2
		05/03/2024	Taiwan Corporate Governance Association	Prospects of the Nickel Industry and Sustainable Management of a Resilient Supply Chain	3
		07/31/2024	Institute of Financial Law and Crime Prevention	Common Deficiencies in the Financial Industry and Analysis of Penalty Cases, Including Sexual Harassment Prevention	3
		10/16/2024	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
		10/29/2024	Taiwan Institute of Directors	Trends in Sustainability Information and Financial Reporting Disclosure	3
Independent Director	Hai, Ying-Chun	04/30/2024	Taiwan Corporate Governance Association	Company Strategy Development Direction	3
		10/29/2024	Securities & Futures Institute	2024 Global and Taiwan Economic Outlook	3
Independent Director	Chen, Sheng-Te	07/11/2024	Securities & Futures Institute	Digital Transformation and the Future of AI – Sharing on Generative AI Application Cases	3
		10/16/2024	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
Corporate Governance Officer	Chen, Yung-Chih	04/30/2024	BCSD Taiwan	Sustainable Knowledge Empowerment Campaign (Non-Electronics Industry): Promoting a New Carbon Era through Sustainability Literacy	6
		09/20/2024	Securities & Futures Institute	2024 Insider Trading Prevention Seminar	3

Title	Name	Date of Course	Organized by	Course Title	Duration of the Course
		10/07/2024	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2024 New Net Zero Summit Forum	3
		10/16/2024	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
		10/24/2024	Taiwan Institute for Sustainable Energy	Thirty-eighth TCCS Council Meeting and CEO Lecture Hall	2
		11/22/2024	Securities & Futures Institute	Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies in 2024	3
		12/25/2024	Securities & Futures Institute	Listed and OTC Companies – Seminar on Expanding Asset Management in Asia through the Use of Derivatives	3
Accounting Manager	Kuo, Chuan-Hua	10/16/2024	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
Finance Manager	Yang, Wen-Li	07/11/2024	Securities & Futures Institute	Digital Transformation and the Future of AI – Sharing on Generative AI Application Cases	3

In the 2023 director election, all director's training content and hours comply with the provisions of Article 14, Paragraph 3 of the "Guidelines for the Establishment and Exercise of Powers of the Board of Directors of Taiwan Stock Exchange Limited Listed Companies" and the "Guidelines for the Promotion of Training for Directors and Supervisors of TWSE/TPEX Listed Companies". The Company has also completed the disclosure of relevant information.

## (II) Information Regarding the Implementation of the Audit Committee or the Participation of Supervisors in the Operations of the Board of Directors:

### 1. Status of operations and main functions of the Audit Committee:

#### (1) The functions and main review items of the Audit Committee are as follows:

- Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act
- Assessment of the effectiveness of the internal control system
- Pursuant to Article 36-1 of the Securities and Exchange Act, formulate or revise procedures for major financial business actions including the acquisition or disposal of assets, engaging in derivative trading, loaning of funds to others, making endorsement or guarantees for others
- Matters concerning the personal interests of Directors
- CPAs explain the status of checking or reviewing financial reports on a quarterly basis, and the audit committee discusses and communicates with the questions raised by the participants. The audit committee also communicates separately with the CPAs and the internal audit supervisors on a regular basis.
- Review the internal control system and relevant policies and procedures
- Major assets or derivative trading.
- Major loaning of funds, making of endorsements or provision of guarantees.
- The offering, issuance, or private placement of equity-type securities
- Compliance with laws and regulations and filing requests to managers for development of response plans for amendments to the laws.
- Review internal audit reports (including risk management of information security and internal controls), and maintain communication with the head of internal audit
- Evaluation of the qualifications, independence, and performance of the CPAs.
- Appointment, dismissal and compensation of CPAs.
- Appointment and dismissal of finance manager, accounting manager, and head of internal audit
- Review the performance of the Audit Committee



- Review the financial report stamped with the seal of the Chairman, manager and principal accounting officer.
- Accept and deal with whistleblowing cases in accordance with the functions listed in this article
- Other material matters as may be required by the Company or by the competent authority.
- Supervise the implementation of risk management policies.

(2) A total of four (4) meetings (A) were held by the Audit Committee in the most recent fiscal year. The attendance of the independent directors were as follows:

Title (Note 3)	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remark
Independent Director (Convener)	Chen, Chung	4	0	100.00	Reappointed
Independent Director	Tu, Tzu-Chun	4	0	100.00	Reappointed
Independent Director	Hai, Ying-Chun	4	0	100.00	Reappointed
Independent Director	Chen, Sheng-Te	4	0	100.00	Newly Appointed

(3) Operations in the current year:

I. If one of the following circumstances occurs in the operation of the audit committee, it shall state the date and period of the audit committee meeting, the contents of the motions, the objections of the independent directors, the contents of the reserved opinions or major suggestions, the results of the audit committee's resolutions and the Company's handling of the opinions of the audit committee.

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

Audit Committee	Resolution and Follow-up Actions	Items specified in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee
3rd Meeting of the 4th Term 03/08/2024	1.For the purpose of issuing the 2023 "Statement on Internal Control Systems", submit the statement for deliberation, and discuss.	v	No
	2.For the purpose of issuing the 2023 "Statement on Internal Control Systems", submit the statement for deliberation.	v	No
	3.Submit the proposal for the 2023 Profit Distribution Plan for deliberation.	v	No
	4.Submit the evaluation of the independence of the CPAs appointed for 2024 for deliberation.	v	No
	5.Submit the appointment of CPAs for 2024 for deliberation.	v	No
	6.Appoint CPAs to handle non-assurance services for 2024, submitted for discussion.	v	No
	7.Proposed revision of certain articles in the "Audit Committee Organizational Regulations," submitted for discussion.	v	No
	8.Proposed discussion of f the restriction on directors' competitiveness.	v	No
	Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting. The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.		
4th Meeting of the 4th Term 05/10/2024	1.Proposal for endorsements/guarantees made for USI Green Energy Corporation. Request for approval to amend warranty Limit and ratify it.	v	No
	2.Prepare the 2024 Quarter 1 Consolidated Financial Statements and submit them for deliberation.	v	No
	3.Submit the proposal for amendment to the Company's internal control systems for deliberation.	v	No

Audit Committee	Resolution and Follow-up Actions	Items specified in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee
	Audit Committee Recommendation: Proposal 2 In view of the impact of China's overcapacity, a comprehensive market supply and demand analysis should be conducted for the Group's petrochemical products. Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting. The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.		
5th Meeting of the 4th Term 08/08/2024	1. Prepare the 2024 Quarter 2 Consolidated Financial Statements and submit them for deliberation.	v	No
	2. It is proposed to construct the TPC Group Innovation and R&D Center through self-owned land development. Submitted for discussion.	v	No
	Audit Committee Recommendation: Proposal 2 The proposing unit should include the necessity of the investment, cost-benefit analysis, and financial ratio analysis in the proposal, and incorporate these into the revised agenda. Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.		
	The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.		
6th Meeting of the 4th Term 11/07/2024	1. Proposal for endorsements/guarantees made for USI Green Energy Corporation. Request for approval to amend warranty Limit and ratify it.	v	No
	2. Prepare the 2024 Quarter 3 Consolidated Financial Statements and submit them for deliberation.	v	No
	3. Submit the proposal for compensation paid to the Company's CPAs for 2024 deliberation.	v	No
	4. Submit the proposal for amendment to the Company's internal control systems for deliberation.	v	No
	5. Submit the 2025 audit plan for deliberation.	v	No
	Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting. The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.		

(II) In addition to the aforementioned motions, other motions not passed by the Audit Committee but passed by at least two thirds of the votes of the entirety of the Board of Directors: No such occurrences.

II. In regards to the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes should be stated:

III. Communications between independent directors and the head of internal audit and CPAs (material issues, methods and outcomes related to the Company's financial and business status shall be included)

1. Not only will the Internal Audit Department submit audit reports to each independent director for review every month, but also the head of internal audit will report major audit findings to each independent director in the Audit Committee every quarter. Both the Company's Audit Committee and the Head of Internal Audit have maintained good communications.



## Corporate Governance Report

### Summary of communications between the Audit Committee and the Head of Internal Audit:

Start Date	Key Communications Points	Recommendations and Results
03/08/2024	1.3rd internal audit execution report in the 4th term 2.The 2023 Statement on Internal Control System.	No dissenting opinion
05/10/2024	1.4th internal audit execution report in the 4th term 2. Amended the Company's "Internal Control System - Procedures for Shareholder Services" in accordance with the amended "Standards for the Internal Control Systems of Shareholder Service Units" promulgated by the Taiwan Depository & Clearing Corporation.	No dissenting opinion
08/08/2024	5th internal audit execution report in the 4th term	No dissenting opinion
11/07/2024	1.Review the revision of the internal control system. 2.Review the annual internal audit plan for 2025.	No dissenting opinion

2. CPAs compile information on the audit of the Company's consolidated financial statements (annual financial statements including parent company-only financial statements) and review of governance-related matters every quarter, and report them to the Audit Committee in accordance with the "Auditing Standards Bulletin No. 39 - Communication with Those Charged with Governance" and the letter with the Ref No. Tai Tsai Cheng Liu Tzu 0930105373 issued by SFB on March 11, 2004. Both the Company's Audit Committee and CPAs have maintained good communications.

### Summary of communication between the Audit Committee and CPAs:

Start Date	Key Communications Points	Recommendations and Results
03/08/2024	1.CPAs reported the status of audit of the Company's 2023 financial statements, as well as discussed and responded to questions raised by attendees. 2.Review of CPAs' qualifications, performances and independence 3.Appointment of CPAs for 2024 4.CPAs reported the execution status of non-assurance services for 2023 and discussed and responded to questions raised by attendees.	No dissenting opinion
05/10/2024	CPAs reported the status of the audit of the Company's 2024 Quarter 1 financial statements, as well as discussed and responded to questions raised by attendees.	No dissenting opinion
08/08/2024	CPAs reported the status of the audit of the Company's 2024 Quarter 2 financial statements, as well as discussed and responded to questions raised by attendees.	No dissenting opinion
11/07/2024	CPAs reported the status of the audit of the Company's 2024 Quarter 3 financial statements, as well as discussed and responded to questions raised by attendees.	No dissenting opinion

Note:

- (1) Where an independent director resigns before the end of the fiscal year, the "remark" column should be filled with the independent director's resignation date, whereas his/her percentage of attendance in person (%) should be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.
- (2) If independent directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors should be listed accordingly and the "remark" column should indicate whether the status of an independent director is "outgoing", "incoming" or "re-elected" and the date of re-election. The rate of attendance in person (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during the member's term of office. The rate of attendance in person (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during the member's term of office.
- (3) For the professional qualifications and experience of the members of the Audit Committee of the Company, please refer to Notes 13 to 20 on page 8 of the Annual Report.

3. Communications between independent directors and head of internal audit and CPAs

- (1) In order to fully exercise their functions and powers and have a better understanding of the Company's financial reports and financial and business conditions, independent directors shall, without the presence of the general directors and management, communicate with the CPAs and the internal audit supervisors separately to the audit committee at least once a year.
- (2) The CPAs of the Company shall report to the Audit Committee quarterly the governance matters checked or reviewed in the consolidated financial report of the Company (annual and including the individual financial report), and compile the information; Ad hoc meetings may be convened in the event of major anomalies. Both the Company's Audit Committee and CPAs have maintained good communications.
- (3) Not only will the Internal Audit Department submit audit reports to each independent director for review every month, but also the head of internal audit will report major audit findings to each independent director in the Audit Committee every quarter. Ad hoc meetings may be convened in the event of major anomalies. Both the Company's Audit Committee and the Head of Internal Audit have maintained good communications.
- (4) Independent director's individual communication with CPAs and internal audit supervisors:

Start Date	Attendees	Communication Matters	Communication Results
11/07/2024 Audit Committee 6th Meeting of the 4th Term	Independent Director Chen, Chung Independent Director Tu, Tzu-Chun Independent Director Hai, Ying-Chun Independent Director Chen, Sheng-Te CPA Chuang Pi-Yu CPA Chen, Chun-Hung Chief Auditor Chiang I-Ting	CPA: 1. Annual audit scope, methods, key audit items and other evaluation plans. 2. AQI audit quality indicators report. 3. Discussion and communication regarding questions raised by attendees. Chief Internal Auditor: 1. Internal audit of business performance report 2. Revision of the internal control system. 3. 2.2024 annual internal control and selfevaluation schedule. 4. 3.2025 audit plan.	No dissenting opinion

4. For the professional qualifications and experience of the members of the Audit Committee of the Company, please refer to Notes 11 of the Annual Report.
5. Information regarding the participation of Supervisors in the operations of the Board of Directors: Not applicable.



(III) Implementation of corporate governance, discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", and reasons for such discrepancies

Evaluation Item	Status of Implementation (Note)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established its "Corporate Governance Best Practice Principles" in compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to promote the implementation of corporate governance and disclosed the information on its website.	No material discrepancy
II. Shareholder Structure and Shareholders' Rights				
(I) Has the Company established an internal operating procedure for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	✓		The Company has appointed dedicated personnel to be in charge of such matters.	No material discrepancy
(II) Does the Company maintain a list of major shareholders who have actual control over the Company and persons who have ultimate control over the major shareholders?	✓		The Company has been maintaining contact with its major shareholders and persons who have ultimate control over the major shareholders.	No material discrepancy
(III) Has the Company established and implemented risk control and firewall mechanisms among its affiliated companies?	✓		The Company has established and implemented a system to monitor its subsidiaries.	No material discrepancy
(IV) Has the Company formulated internal regulations that prohibit insiders of the Company from trading securities using undisclosed information in the market?	✓		<p>◎ Prevention of Insider Trading</p> <p>The Company has regularly educated and advocated the existing Directors, Managerial Officers and employees on the "Procedures for Handling Material Internal Information" and relevant laws and regulations. The Company has educated and advocated new Directors, Managerial Officers and employees upon their appointment/arrival.</p> <p>In 2024, education and training were conducted for current directors, managers, and employees through online courses and assessments, with a total of 435 participants and a cumulative training duration of 457 hours. The detailed course topics and durations are as follows:            [Video Promotion] Insider trading practical cases and related legal liabilities for 3 hours            [Test education] Group staff code of conduct test (including insider trading prevention) for 1 hour</p> <p>The content includes: insider trading regulations, definitions and constituent elements, corporate governance perspective on insider trading, introduction to Article 157-1 of the Securities and Exchange Act and a brief introduction to practical cases, scope of major information and promotion of processing procedures, etc. In addition, online course materials and presentations are often placed in the internal training and learning platform system for all colleagues to watch and learn at any time.</p> <p>◎ Appointed director shall not trade the Company's stock implementation during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report</p> <p>1. Company's regulations</p> <p>In accordance with the Code of Corporate Governance amended by the competent Authority in August 2022, and the "Company's Ethical Operating Procedures and Conduct Guidelines" were amended by the Board of Directors in November, 2022 to stipulate that, in addition to complying with the ban on insider trading, the directors of the Company shall not trade in the Company's shares during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial</p>	Consistent with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Status of Implementation (Note)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
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			<p>report.</p> <p>2. Specific situation of implementing internal rules</p> <p>(1) Educational Training - Tested on the training management platform, Project Title: [Group Staff Code of Conduct Assessment]- Incorporated that Directors are not allowed to trade in the Company's shares during the closed period prior to the announcement of financial results. A total of 424 people participated in the above training, and the total training hours totaled 424 hours in 2024.</p> <p>(2) Notification- Reminder by letter before the closing period - to be carried out by the Secretary of the Board, 7 days before each closing period, to remind the directors by email and inform the Stock Department. Re-reminder mechanism - Implemented by the Stock Affairs Department, upon receipt of the above information until the "Financial Report Announcement date (i.e. board meeting date)", if the directors of each company still apply for "pre-declaration of share transfer", they will email the director again at the same time to remind the norms of the closed period (independent directors are transferred by the Director's secretary), and notify the director's secretary and the corporate governance officer.</p> <p>3. The Company's financial statements discussed at the Board of Directors are implemented in accordance with the above provisions, and the list is as follows:</p> <p>(1) The Board of Directors will hold a meeting on March 8, 2024 to discuss the 2023 annual financial report, with the day of the Board of Directors (March 8) as the announcement date of the financial report, 30 days prior to the beginning of the closing period, and the closing period for trading stocks will be from February 7, 2024 to March 8, 2024. In a letter dated January 16, 2024, the Secretary of the Board informed the Directors that the shares of the Company were not to be traded during the closure period.</p> <p>(2) The Board of Directors will hold a meeting on May 10, 2024 to discuss the financial report for the first quarter of 2024, because the Board of Directors released important information on the same day after the release of important data in the financial report, with the day of the Board of Directors (May 10) as the announcement date of the financial report, 15 days prior to the beginning of the closing period, and the closing period for trading stocks will be from April 25, 2024 to May 10, 2024. The Secretary of the Board notified the Directors by email on April 18, 2024 that the shares of the Company were not to be traded during the closure period.</p> <p>(3) The Board of Directors will hold a meeting on August 8, 2024 to discuss the financial report for the second quarter of 2024, because the Board of Directors released important information on the same day after the release of important data in the financial report, with the day of the Board of Directors (August 8) as the announcement date of the financial report, 15 days prior to the beginning of the closing period, and the closing period for trading stocks will be from July 24, 2024 to August 8, 2024. The Secretary of the Board notified the Directors by email on July 10, 2024 that the shares of the Company were not to be traded during the closure period.</p> <p>(4) The Board of Directors will hold a meeting on November 7, 2024 to discuss the financial report for the third quarter of 2023, because the Board of Directors released important</p>	



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			<p>information on the same day after the release of important data in the financial report, with the day of the Board of Directors (November 7) as the announcement date of the financial report, 15 days prior to the beginning of the closing period, and the closing period for trading stocks will be from October 23, 2024 to November 7, 2024. The Secretary of the Board notified the Directors by email on October 14, 2024 that the shares of the Company were not to be traded during the closure period.</p> <p>As confirmed by the Stock Department, the directors of the Company did not report share transfers during the closed period in 2024.</p>	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Does the Board of Directors formulate a diversity policy, specific management objectives and implement them?</p>	✓		<p>◎ Diversity Policy of the Board Members</p> <p>According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities: To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:</p> <ul style="list-style-type: none"> <li>● Ability to make sound business judgments.</li> <li>● Ability to perform accounting and financial analysis.</li> <li>● Ability to manage a business.</li> <li>● Ability to handle crisis management.</li> <li>● Knowledge of the industry.</li> <li>● An international market perspective.</li> <li>● Leadership skills.</li> <li>● Decision-making ability.</li> </ul> <p>In addition to the eight competencies above, the Company has added two professional abilities, namely "legal capability" and "environmental protection" for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection.</p> <p>◎ Specific management objectives of diversity of the board members</p> <p>The current term of directors was elected on May 31, 2023, and one of the new directors, Independent Director CHEN, SHENG-TE, holds a Master of Business Administration degree from the University of Missouri, and has served as the head of the Taiwan region of Citigroup and the chairman of Fubon Commercial Bank in Taipei, Taiwan. He possesses in-depth expertise in risk management in the financial and monetary fields, which is conducive to the enhancement of the quality of the Board of Directors' review of motions, and the implementation of the policy of diversification of the Board of Directors. The proportion of female directors on the Company's Board of Directors has not yet reached one-third. The primary reason is the limited availability of female professionals with substantial industry experience due to the characteristics of the industry. Therefore, the one-third requirement cannot be met in the short term. In the future, the Company will increase the number of</p>	No material discrepancy

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			<p>qualified female directors in accordance with legal requirements and will consider suitable candidates from various fields during board member selection to achieve board diversity. In addition, in response to the increasing global focus on corporate sustainability, the Company intends to increase the number of directors with expertise in related fields to enhance the sustainable competitiveness of the Company and improve the function of the Board of Directors.</p> <p>◎ The implementation of diversity of directors For details on the diversity of Board members, refer to the table below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Director</th> <th rowspan="2">Gender</th> <th colspan="10">Core Diversification Item</th> </tr> <tr> <th>Business Judgment</th> <th>Accounting and Finance</th> <th>Business management</th> <th>Crisis management</th> <th>Knowledge of the industry</th> <th>International Markets</th> <th>Leadership Ability</th> <th>Decision making Ability</th> <th>Legal</th> <th>Environmental protection</th> </tr> </thead> <tbody> <tr> <td>Quintin Wu</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Yu, Ching-Shou</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Kao, Che-I</td> <td>Male</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Wu, Pei-Chi</td> <td>Male</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Wu, Hung Ting</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Chen, Chung (Note)</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Tu, Tzu-Chun</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Hai, Ying-Chun (Note)</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Chen, Sheng-Te</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> </tbody> </table> <p>Note: If an independent director is re-elected for three consecutive terms, reasons for further nomination are as follows:</p> <ol style="list-style-type: none"> <li>1. Director Chen, Chung has served as the President of the Executive Yuan, the head of the Ministry of Finance and Economics, and the head of the financial industry. He has many discussions and works on the financial situation and related public policy issues, and has professional experience in strengthening corporate governance, managing operational risks, and improving the operational efficiency of the Board of Directors; Currently serving as the Chairman of the Vision Engineering Foundation of the Consortium, the foundation has been focusing on the United Nations Sustainable Development Indicators (SDGs) for a long time, launching special reports and actions to seek effective solutions, which is of great help to USI Corporation in promoting sustainable development (ESG). Although he has been re-elected as an independent director of USI Corporation for three terms, he is able to make professional independent judgments and provide constructive suggestions in both the functional committee and the Board of Directors. Therefore, he continues to nominate him as an independent director of the Company.</li> <li>2. Hai, Ying-Chun served as the chairman of Delta Electronics, with experience in setting the Company's business development direction, planning the organizational structure, promoting and implementing strategic innovation, strengthening corporate governance and the functioning of the Board of Directors. He also served as the Chairman of the "Taiwan Climate Alliance", an organization that introduced global climate change and</li> </ol>	Name of Director	Gender	Core Diversification Item										Business Judgment	Accounting and Finance	Business management	Crisis management	Knowledge of the industry	International Markets	Leadership Ability	Decision making Ability	Legal	Environmental protection	Quintin Wu	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓		Yu, Ching-Shou	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓		Kao, Che-I	Male	✓		✓	✓	✓		✓	✓	✓		Wu, Pei-Chi	Male	✓		✓	✓	✓	✓	✓	✓	✓		Wu, Hung Ting	Male	✓	✓	✓	✓			✓	✓			Chen, Chung (Note)	Male	✓	✓	✓	✓			✓	✓	✓		Tu, Tzu-Chun	Male	✓	✓	✓	✓	✓		✓	✓		✓	Hai, Ying-Chun (Note)	Male	✓	✓	✓	✓			✓	✓		✓	Chen, Sheng-Te	Male	✓	✓	✓	✓			✓	✓			
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(II) Has the Company voluntarily established other functional committees, other than the Remuneration Committee and audit committee that are established in accordance with the law?	✓		<p>successful carbon reduction experience to help domestic enterprises move towards the goal of net zero, which is of great help to USI Corporation in promoting sustainable development (ESG). Although he has been re elected as an independent director of USI Corporation for three terms, he is able to make professional independent judgments and provide constructive suggestions in both the functional committee and the Board of Directors. Therefore, he continues to nominate him as an independent director of the Company.</p> <p>The Company's Directors with employee status accounted for 22% and Independent Directors with employee status 44%. One Directors is among 41-50 years old, one is among 51-60 years old, two are among 61-70 years old, three are 71-80 years old and two are aged over 80.</p> <p>The Company has established a Remuneration Committee and an Audit Committee which exercise their authority in accordance with the Remuneration Committee Charter and the Audit Committee Charter respectively with favorable performance. The Company also voluntarily set up a Sustainability Council, which exercises its functions and powers and function smoothly in accordance with the "Organization Rules of the Sustainability Council".</p>	No material discrepancy												
(III) Has the Company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually? Does the Company submit results of assessments to the Board of directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors?	✓		<p>I. Performance evaluation of the Board of Directors and individual board members</p> <ol style="list-style-type: none"> <li>The Company passed the Rules Governing the Performance Evaluation of the Board of Directors in November 2023, stipulating that the performance evaluation of the Board of Directors and individual Directors shall be executed at the end of each year.</li> <li>The Secretariat of the Board is responsible for the execution of the performance evaluation of the Board of Directors and individual Directors which shall be conducted based on an internal self-evaluation. The results of performance assessments are used as basis for the Company's review and improvement and as reference in determining remuneration for individual Directors, their nomination and additional office term.</li> <li>The Company completed the performance evaluation of the Board of Directors in January 2025 for the evaluation period from January 1 to December 31, 2024. The below summarizes the evaluation result:</li> </ol> <p>(1) Overall performance of the Board of Directors</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td>4.75</td> </tr> <tr> <td>Improvement in the quality of decision-making of the Board of Directors</td> <td>5.00</td> </tr> <tr> <td>Composition and structure of the Board of Directors</td> <td>5.00</td> </tr> <tr> <td>Election and continuing education of the Directors</td> <td>4.60</td> </tr> <tr> <td>Internal control</td> <td>5.00</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p><b>Overall performance evaluation results of the Board of Directors</b></p> <ul style="list-style-type: none"> <li>The evaluation result of the Board of Directors shows that the average scores of the five major dimensions are all above 4.6 points, an embodiment of a good evaluation result.</li> <li>The uncertainty surrounding global inflation has left interest rate cut policies unpredictable. Additionally, the international landscape remains clouded by geopolitical conflicts, climate change, and politically driven economic turmoil, posing significant challenges to the Company's operations. In response to an increasingly complex business environment and environmental regulations, the Company will place greater emphasis on risk management, build operational resilience, and pursue diversified operations. We</li> </ul>	Performance aspect	Score (Note)	Degree of participation in the Company's operations	4.75	Improvement in the quality of decision-making of the Board of Directors	5.00	Composition and structure of the Board of Directors	5.00	Election and continuing education of the Directors	4.60	Internal control	5.00	No material discrepancy
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			<p>will also continue to actively reduce carbon emissions and advance green transformation to achieve sustainable business development. The Board of Directors and management will closely monitor the challenges faced by the Company, seize market opportunities, and work together to drive the Company's stable growth.</p> <p>(2) Performance of individual director member</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> </tr> </thead> <tbody> <tr> <td>Understanding of the Company's goals and tasks</td> <td>4.85</td> </tr> <tr> <td>Understanding of the Director's responsibilities</td> <td>4.89</td> </tr> <tr> <td>Degree of participation in the Company's operations</td> <td>4.81</td> </tr> <tr> <td>Management and communication of the internal relations</td> <td>4.72</td> </tr> <tr> <td>Expertise and continuing education of the Directors</td> <td>4.81</td> </tr> <tr> <td>Internal control</td> <td>4.81</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p><b>Performance evaluation of individual director member Result</b> The Director's self-evaluation result shows that the average score of the six aspects is above 4.7, which is a good evaluation result</p> <p>4. The results of performance evaluation of the Board of Directors and individual directors member have been submitted to the Board meeting dated March 10, 2025.</p> <p>II. Evaluation of the Audit Committee's Performance</p> <p>1. The Audit Committee's performance evaluation cover the following items:</p> <p>(1) Degree of participation in the Company's operations. (2) Understanding of the Audit Committee's roles and responsibilities. (3) Improvement in the Audit Committee's decision-making quality. (4) Composition of the Audit Committee and selection of committee members. (5) Internal control.</p> <p>2. The performance evaluation of the Audit Committee is conducted by the Accounting Division using an internal questionnaire self-evaluation to evaluate the operation of the Audit Committee. The results of performance assessment will be adopted as reference for the Company's review and improvement.</p> <p>3. Upon full collection of the questionnaires in January each year, the Company's Accounting Division will report the results to the Board of Directors in accordance with the Regulations Governing the Evaluation of the Performance of the Board of Directors.</p> <p>4. The Company completed the performance evaluation of the Audit Committee in January 2025 for the evaluation period from January 1 to December 31, 2024. The results of the performance evaluation of the Audit Committee was reported to the Board of Directors for review and improvement on March 10, 2025 with a view to accurately assessing and monitoring the Company's existing or potential risks.</p> <p>5. The evaluation results for each category are as follows:</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td>4.94</td> <td rowspan="5">The evaluation result of the Audit Committee shows that the average scores of the five major dimensions are all above 4.9 points, an embodiment of a good evaluation result.</td> </tr> <tr> <td>Understanding of the Audit Committee's roles and responsibilities</td> <td>5.00</td> </tr> <tr> <td>Improvement in the Audit Committee's decision-making quality</td> <td>5.00</td> </tr> <tr> <td>Composition of the Audit Committee and selection of committee members</td> <td>5.00</td> </tr> <tr> <td>Internal control</td> <td>5.00</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p>	Performance aspect	Score (Note)	Understanding of the Company's goals and tasks	4.85	Understanding of the Director's responsibilities	4.89	Degree of participation in the Company's operations	4.81	Management and communication of the internal relations	4.72	Expertise and continuing education of the Directors	4.81	Internal control	4.81	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Company's operations	4.94	The evaluation result of the Audit Committee shows that the average scores of the five major dimensions are all above 4.9 points, an embodiment of a good evaluation result.	Understanding of the Audit Committee's roles and responsibilities	5.00	Improvement in the Audit Committee's decision-making quality	5.00	Composition of the Audit Committee and selection of committee members	5.00	Internal control	5.00	
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			<p>III. Performance evaluation of the Remuneration Committee</p> <p>1. The Remuneration Committee's performance evaluation covers the following four items:</p> <p>(1) Degree of participation in the Company's operations.</p> <p>(2) Understanding of the Remuneration Committee's roles and responsibilities.</p> <p>(3) Improvement in the Remuneration Committee's decision-making quality.</p> <p>(4) Composition and member selection of the Remuneration Committee.</p> <p>2. The performance evaluation of the Remuneration Committee is conducted by the Human Resource Division through an internal questionnaire self-evaluation which is filled out by the members of the Committee. The results of performance assessment will be adopted as reference for the Company's review and improvement.</p> <p>3. The Company completed the performance evaluation of the Remuneration Committee in January 2025 for the evaluation period from January 1 to December 31, 2024. The evaluation results for 2024 were good in all aspects, and have been submitted to the Board of Directors for review on March 10, 2025 as a reference basis for further improvement.</p> <p>4. The evaluation results for each category are as follows:</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td>4.88</td> <td rowspan="4">The Remuneration Committee's self-evaluation result shows that the average score of the four aspects is above 4.8, which is a good evaluation result.</td> </tr> <tr> <td>Understanding of the Remuneration Committee's roles and responsibilities</td> <td>4.95</td> </tr> <tr> <td>Improvement in the Remuneration Committee's decision-making quality</td> <td>5.00</td> </tr> <tr> <td>Composition and member selection of the Remuneration Committee</td> <td>5.00</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>IV. Sustainability Council Performance Evaluation</p> <p>1. The Sustainability Council's performance evaluation covers the following four items:</p> <p>(1) Degree of participation in the Company's operations.</p> <p>(2) Responsibility awareness of Sustainability Council.</p> <p>(3) Improvement in the Sustainability Council's decision-making quality.</p> <p>(4) Composition of the Sustainability Council and selection of committee members.</p> <p>2. The performance evaluation of the Sustainability Council is conducted by the General Manager's Office through an internal questionnaire self-evaluation which is filled out by the members of the Committee. The results of performance assessment will be adopted as reference for the Company's review and improvement.</p> <p>3. The Company completed the performance evaluation of the Sustainability Council in January 2025 for the evaluation period from January 1 to December 31, 2024. The evaluation results for 2024 were good in all aspects, and have been submitted to the Board of Directors for review on March 10, 2025 as a reference basis for further improvement.</p> <p>4. The evaluation results for each category are as follows:</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td>4.85</td> <td rowspan="4">The Committee's self-evaluation result shows that the average score of the five aspects is above 4.8, which is a good evaluation result.</td> </tr> <tr> <td>Responsibility awareness of Sustainability Council</td> <td>4.80</td> </tr> <tr> <td>Improvement in the Sustainability Council's decision-making quality</td> <td>4.80</td> </tr> <tr> <td>Composition of the Sustainability Council and selection of committee members</td> <td>4.80</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p>	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Company's operations	4.88	The Remuneration Committee's self-evaluation result shows that the average score of the four aspects is above 4.8, which is a good evaluation result.	Understanding of the Remuneration Committee's roles and responsibilities	4.95	Improvement in the Remuneration Committee's decision-making quality	5.00	Composition and member selection of the Remuneration Committee	5.00	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Company's operations	4.85	The Committee's self-evaluation result shows that the average score of the five aspects is above 4.8, which is a good evaluation result.	Responsibility awareness of Sustainability Council	4.80	Improvement in the Sustainability Council's decision-making quality	4.80	Composition of the Sustainability Council and selection of committee members	4.80	
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(IV) Does the Company regularly evaluate the independence of CPAs?	✓		<p>The Company's Audit Committee and Board of Directors assess the independence and suitability of its CPAs annually. In addition to requiring the member team of CPAs to provide "Statement of Independence" and "Audit Quality Index (AQIs)", the audit Committee evaluates the independence and suitability of its visa CPAs in accordance with the criteria in the following table and the five dimensions of AQI index (including 13 indicators). Having confirmed that it has no financial interest or business relationship with the Company other than verification and tax case expenses, that its family members do not violate the independence requirement, and having confirmed with reference to the AQI indicators information that the CPAs and firms are above the industry average in terms of experience and hours of training, In addition, we will introduce digital technology, expand audit support center and introduce cloud audit platform to improve audit quality. The results of the latest annual evaluation were discussed and approved by the 7th meeting of the 4th Audit Committee on March 10, 2025, and submitted to the 8th meeting of the 21st Board of Directors on the same day for the independence and suitability evaluation of CPAs.</p> <p>Evaluation of the Independence of CPAs:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Evaluation results</th> <th>Whether the CPA is independent</th> </tr> </thead> <tbody> <tr> <td>1. As of the most recent assurance operation, no CPA has yet to be replaced for seven years.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>2. The CPA does not have significant financial interest in his/her trustor.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>3. The CPA avoids any inappropriate relationship with his/her trustor.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>4. The CPA shall ensure that his/her assistants are honest, fair and independent.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>5. The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>6. The CPA may not permit others to practice under his/her name.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>7. The CPA does not own any shares of the Company and its affiliated companies.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>8. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>9. There is no joint investment or interest sharing relationship with the Company or affiliated enterprises.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>11. The CPA is not involved in the decision-making process of the Company and its affiliated companies.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>12. The CPA does not concurrently engage in other businesses that may lead to loss of independence.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>13. The CPA does not have a spouse, immediate family members or relatives within the second degree of kinship who serve in the senior management of the Company.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>14. The CPA has not collected any commission related to his/her service.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>15. As of now, the CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or cause damage to the principle of independence.</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table> <p>Suitability Evaluation of the CPAs:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Evaluation results</th> <th>Whether the CPA Suitability</th> </tr> </thead> <tbody> <tr> <td>1. Professionalism.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>2. Quality control</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>3. Independence.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>4. Supervision.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>5. 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	Yes	No	Abstract Illustration	
IV. Has the TWSE/TPEX Listed Company set up a full-time (part-time) unit or appointed designated personnel to handle governance related affairs (including but not limited to supplying information requested by the directors and supervisors, processing company registration and change of registration and preparing minutes of the board meetings and shareholders' meetings)?	✓		<p>In order to safeguard the interests of the shareholders and strengthen the functions of the Board of Directors, the Company has appointed Chen, Yung-Chih, Head of Legal Division, as the Corporate Governance Officer, the top-level manager in charge of corporate governance, as approved by the Board of Directors on May 13, 2019. Mr. Chen, Yung-Chih has more than 20 years of experience as a practicing lawyer and over 10 years of experience as a legal director of listed companies. His main duties include related affairs of board meetings and shareholders' meetings, production of meeting minutes for board meetings and shareholders' meetings, assisting Directors in taking office and continuing education, providing data required by Directors to perform their duties, assisting Directors in legal compliance, reporting to the Board on the nomination of independent directors, checking the result of whether the qualifications comply with the relevant laws and regulations at the time of appointment and during the term of office, handling the related matters of Director change and so on.</p> <p>The key points of business operations in 2024 were as follows:</p> <p>I. Assist Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies:</p> <ol style="list-style-type: none"> <li>1. Compile the latest laws and regulations related to the business areas and corporate governance of the Company, put them forward at the Board of Directors meeting for discussion, and keep members of the Board informed accordingly from time to time.</li> <li>2. Assist Directors, upon request, in understanding the regulations to be complied with in the execution of their business.</li> <li>3. Provide corporate information required by the Directors and assist them with communication and interaction with supervisors in various business categories.</li> <li>4. Assisted Independent Directors in arranging meetings with the head of internal audit or CPAs when there is a need for Independent Directors to meet them in order to understand the Company's financial operations.</li> <li>5. Assist the Company in arranging at least six hours of continuing education for Board members.</li> <li>6. Verified that the Company has purchased the liability insurance for "Directors and key persons" for members of the Board of Directors and reported to the Board of Directors.</li> </ol> <p>II. Organized matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirmed compliance matters of resolutions:</p> <ol style="list-style-type: none"> <li>1. Prepare notice and agenda of Board of Directors meetings in accordance with laws; where Directors have to recuse themselves from the agenda items, they shall be reminded beforehand; the minutes shall be prepared within the statutory period.</li> <li>2. Register the date of the shareholders' meeting in advance according to the law and prepare the meeting notice, handbook, and meeting minutes within the statutory time limit.</li> <li>3. Confirm that the convening of the Board of Directors meetings and shareholders' meetings, procedures for resolutions, and minutes of the said meetings are in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles.</li> <li>4. Handle matters related to the change of registration for the Board of Directors and Shareholders' meetings.</li> </ol>	No material discrepancy

Evaluation Item	Status of Implementation (Note)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
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			<p>III. Confirm the matters of the independent director qualifications and handling of Director changes:</p> <ol style="list-style-type: none"> <li>1. Confirm the qualifications of independent directors are in compliance with relevant laws and regulations at the time of nomination, election and tenure, and report the inspection results to the Board of Directors.</li> <li>2. Handle related matters in according to the law regarding directors' changes.</li> </ol> <p>IV. Maintain relations with investors: The Company updates website information from time to time to keep investors abreast of the Company's financial, business, and corporate governance information and protect the interests of shareholders.</p> <p>Directors' continuing education in 2024 is as follows: Pursuant to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", a listed company shall arrange continuing professional education for its corporate governance officer. A newly appointed chief corporate governance officer shall complete a minimum of 18 CPE hours within the year from the person's appointment and a minimum of 12 CPE hours per year in each following year. In 2024, Chen, Yung-Chih, corporate governance officer of the Company, has completed 23 hours of continuing education. For details, please refer to page 35.</p>	
V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	✓		The Company has set up a stakeholders' section under Corporate Sustainable Development on its website, which features the categories of stakeholders and contact information as channels of communication. We disclose issues related to frequency, response methods, quality, the environment, occupational safety and health policies, employee rights, as well as social and product liabilities. In addition, the Company has appointed dedicated personnel in charge of the collection and disclosure of company information, and has implemented a spokesperson system. Communication can be performed through interviews, telephone calls, or dedicated mailboxes. For communications with stakeholders, please refer to <a href="https://www.usife.com/ESG/zh-tw/ESG13.aspx">https://www.usife.com/ESG/zh-tw/ESG13.aspx</a> . The report on implementation to the Board of Directors can be found on page 59.	No material discrepancy
VI. Does the Company commission a professional shareholder services agency to arrange shareholders' meetings and other relevant affairs?		✓	The Company takes charge of its own shares-related affairs, and handles matters related to Shareholders' meetings in accordance with the law.	The Company handles its own shares-related affairs to ensure quality and efficiency.
VII. Information Disclosure				
(I) Has the Company established a website to disclose information on financial operations and corporate governance?	✓		The Company has set up a website ( <a href="https://www.usife.com">https://www.usife.com</a> ) and regularly discloses company information.	No material discrepancy
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	✓		The Company has appointed dedicated personnel in charge of the collection and disclosure of company information, and has implemented a spokesperson system. English website: <a href="https://www.usife.com/USIEnHome">https://www.usife.com/USIEnHome</a> Investor conferences: <a href="https://www.usife.com/zh-tw/dirInvestor/frmInvestor7">https://www.usife.com/zh-tw/dirInvestor/frmInvestor7</a>	No material discrepancy
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as		✓	The Company has not announced and declared its annual financial report within two months after the end of the fiscal year but has announced and declared its quarterly financial reports, monthly revenue, and endorsement and guarantee information in advance of the specified period.	No material discrepancy



Evaluation Item	Status of Implementation (Note)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Abstract Illustration	
well as its operating status for each month ahead of schedule before the specified deadline?				
VIII. Has the Company provided important information to better understand the state of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, progress of training of directors and supervisors, risk management policy and implementation of risk impact standards, implementation of customer policies, and the Company's purchase of liability insurance for its directors and supervisors)?	✓		<p>(I) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides annual health checkups, sports and fitness equipment, organizes various outdoor recreational activities and talks on mental, emotional and spiritual health, purchases group insurance and issues USI E-Newsletter. In addition, employees volunteered to organize the Employee Assistance Program Center (EAPC) that assists employees in solving problems relating to work, life, and mental health.</p> <p>(II) The Company has always been committed to the principle of equal opportunities, and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation, and limits the career development of employees.</p> <p>(III) In regards to the promotion of environmental protection and occupational safety and health, the Company not only complies with the relevant laws and regulations, but also expects to meet internationally recognized standards, where the Company has successfully obtained ISO 9001, ISO 14001, ISO 45001, ISO 50001 (Energy Management System), and ISO 14067 (Carbon Footprint). In November 2024, the Company completed greenhouse gas inventory and assurance processes for its consolidated subsidiaries, ahead of the 2027 regulatory timeline. The Company actively promotes energy conservation, disaster prevention, pollution prevention and other improvement activities to reasonably ensure a safe working environment. To enhance self-inspection, the Company has established the Group Safety and Health Partners Regional Joint Rescue system led by the South Labor Inspection Institute, and actively participates in the events organized by Renda Safety and Health Promotion Association.</p> <p>(IV) The Company actively attends activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, participates in community events, and cares for product protection in order to create a better living environment. Additionally, the Company also helps contractors by building a safe and health-conscious environmental management system to ensure safety at work.</p> <p>(V) The Company has appointed a spokesperson to answer various types of questions raised by shareholders and serves as the bridge to connect the Company with its shareholders. Additionally, the Company maintains contact with its major shareholders.</p> <p>(VI) The Company encourages its directors to participate in continuing education. In addition to providing its directors with details on continuing education, the Company also organizes such courses from time to time and invites its directors to attend courses related to corporate governance.</p> <p>(VII) Implementation of risk management policies and risk measurement standards: The Company has established operating procedures and internal control systems, and possesses clear rules and regulations on authorized limits. The Company also performs internal audit to control risks. The implementation status shall be reported to the Board of Directors at least quarterly by the audit officer</p>	No material discrepancy

Evaluation Item	Status of Implementation (Note)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			<p>(VIII) Implementation of consumer protection or customer policy: The Company has formulated its quality policy in order to improve product and service quality, as well as continuously strives to enhance customer satisfaction. The Company also maintains good relationships with suppliers based on the principles of good faith and mutual benefits.</p> <p>(IX) The Company The Company has purchased liability insurance for its directors.</p> <p>(X) Since 2022, the Company has been compiling the "Sustainability Report" (Corporate Social Responsibility Reports published in previous years has been disclosed on the Company's website.) to disclose the implementation of employee rights, employee care, investor relations, supplier relations, rights of stakeholders, Directors' training records, the implementation of risk management policies and risk evaluation measures, and the implementation of client relations policies.</p>	
<p>IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved. (Leave this section blank if the Company is not included in the evaluation process)</p> <p>(I) The minutes of the Ordinary General Shareholders' Meetings contain important information on the questions raised by shareholders and the Company's replies. (No. 1.18)</p> <p>(II) Uploading uninterrupted audio and video recordings of the entire meeting after the shareholders' meeting. (No. 1.19).</p> <p>Priority Enhancement Items:  Improvements: Specific measures to enhance corporate value have been formulated, reported to the Board of Directors, and related information disclosed on the MOPS under the "Corporate Value Enhancement Plan" section. (No. 1.5)</p>				

Note: Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.



(IV) If the Company has established a remuneration committee or a nominations committee, the composition, responsibilities and operations of the committee shall be disclosed:

The Company's Remuneration Committee was officially established on December 28, 2011 and the establishment was announced. The composition, duties, and operations of the Remuneration Committee are as follows:

1. Information regarding the members of the Remuneration Committee

December 31, 2024

Identification Type (Note 1)	Criteria		Professional qualifications and experience (Note 2)	Independence situation (Note 3)	Number of other public companies in which the member also serves as a member of the Remuneration Committee
	Name				
Independent Director (Convener)	Hai, Ying-Chun		As the chairman of Delta Electronics, with experience in setting the Company's business development direction, planning the organizational structure, promoting and implementing strategic innovation, strengthening corporate governance and the functioning of the Board of Directors.	The four independent directors listed below meet the qualifications set by the Financial Supervisory Commission in the "Regulations Governing the Appointment of Independent Directors and Their Obligations for Public Companies" and Article 14-2 of the Securities and Exchange Act. All independent directors have been granted the right to fully participate in decision-making and express opinions under Article 14-3 of the Securities and Exchange Act, thereby independently exercising their duties.	0
Independent Director	Chen, Chung		He is currently a Chair Professor of Law and Business at Soochow University. He has served as the dean of the administration, the head of the Ministry of Finance and Economics, and the head of the financial sector. He has written extensively on the state of the financial sector and related public policy issues, and has professional experience in strengthening corporate governance and the functioning of the board.		0
Independent Director	Tu, Tzu-Chun		He was adjunct Associate Professor in the Department of Business Administration of Soochow University, Vice President of the Executive Yuan and head of the Ministry of Finance and Economics. Currently, he serves as a director of several listed companies, with experience in industrial development planning, industrial technology research and development and management.		3
Independent Director	Chen, Sheng-Te		He has served as the chairman of Fubon Bank and Zhuoyi Capital, and has rich working experience in finance, investment and other professional fields besides enterprise management experience.		1

Note 1. Please specify the relevant seniority, professional qualifications, experience, and independence of the members of the Remuneration Committee in this form. For independent directors, please refer to Attached Table 1 (I) of Directors and Supervisors on page 15. Please specify as independent director or other (note if convener).

Note 2. Professional qualifications and experience: State the professional qualifications and experience of the members of the Remuneration Committee.

Note 3. Independence criteria: For the members of the Remuneration Committee, state the independence criteria, including but not limited to whether the director, the spouse and immediate family members or relatives within the second degree of kinship of the director are directors, supervisors, or employees of the Company or its affiliated companies; The number and proportion of the Company's shares held by the director, the spouse and immediate family members or relatives within the second degree of kinship of the director (or in the name of others); Whether the director is a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of Paragraph 5-8, Item 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter); Amount of remuneration obtained in the last 2 years for providing business, legal, financial, and accounting services to the Company or its affiliated companies: None

Note 4. For disclosure methods, please refer to the Best Practices Reference on the TWSE Corporate Governance Center website.

## 2. Responsibilities:

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

- (1) Regularly review the Committee Charter and propose recommendations to amend it when necessary.
- (2) Establishing and regularly reviewing the BOD and Managerial Officer's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure.
- (3) Regular evaluation and stipulation on the compensation of Directors and Managerial Officers.

Three meetings were held during the year, and the highlights of the work are summarized below:

- (1) Review of Directors' and Managers' Compensation: Based on the policies, systems, standards, and structure of compensation and performance evaluation results, the Company evaluates the reasonableness of Directors' and Managers' compensation with reference to various factors such as the median level of compensation in the industry, the amount of time invested by the individual, the duties and responsibilities undertaken by the individual, the achievement of the individual's goals, the compensation of similar positions, the Company's achievement of short-term and long-term performance goals, and the Company's financial condition. (2) To review the reasonableness of the remuneration of directors and managers.
- (2) To review the appropriateness of relevant rules and regulations, including: the organizational procedures of the Compensation Committee, the remuneration method for directors and managers, the performance evaluation method of the Board of Directors, and the performance appraisal method for managers.
- (3) Comparison of directors' and managers' market remuneration.
- (4) Review of the results of the Compensation Committee's self-assessment of performance.
- (5) Annual work plan planning.

## 3. Operations of the Remuneration Committee

- (1) There are four members in the Remuneration Committee of the Company.
- (2) The term of the current Remuneration Committee: June 6, 2023 to May 30, 2026. A total of 3 (A) Remuneration Committee meetings were held in the current year. The eligibility and attendance of the members was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of Attendance in Person [B/A] (Note)	Remark
Convener	Hai, Ying-Chun	3	0	100%	Reappointed in alignment with the expiration of the Board's term, reappointed on June 6, 2023.
Committee Member	Chen, Chung	3	0	100%	
Committee Member	Tu, Tzu-Chun	2	1	67%	
Committee Member	Chen, Sheng-Te	3	0	100%	New Appointment: In accordance with the expiration of the Board of Directors' term, appointed on June 6, 2023.



Other matters to be noted:

- I. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
- II. If the members of the Remuneration Committee have any dissenting or qualified opinions on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Remuneration Committee, resolutions, all the members' opinions and handling of these opinions shall be stated:

Remuneration Committee	Resolution and Follow-up Actions	Dissenting Opinions or Qualified Opinions of Members of the Remuneration Committee
3rd Meeting of the 5th Term 03/08/2024	1. The Company's 2023 remuneration distribution report for Directors and employees.	No
	2. Discussed the 2023 special bonus for managerial officers.	No
	3. Review of the remuneration policy and the performance evaluation system for Directors and managerial officers.	No
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance. The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	
4th Meeting of the 5th Term 08/08/2024	Annual salary adjustment.	No
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	
5th Meeting of the 5th Term 11/07/2024	1. Amended the Company's "Remuneration Committee Charter".	No
	2. Establish 2025 Business Plan of the Committee.	No
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	

Note:

- (1) Note: When a member of the Remuneration Committee resigns before the end of the year, the remark column shall be annotated with the date of resignation. Actual attendance rate (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the number of actual attendance during the term of service.
- (2) When an election is held for the Remuneration Committee before end of the year, members of both the new and old committee shall be listed in separate columns and noted as new, old or reelected members, along with the elected date, in the "Remark(s)" column. Rate of attendance in person (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

Information on the membership and operation of the nominating committee: Not applicable.

(V) The implementation situation of promoting sustainable development and the differences with the Code of Practice for sustainable Development of TWSE/TPEX Listed Companies and the reasons

Items affected	Implementation (Note 1)			Discrepancies from "the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
I. Does the Company have a governance structure to promote sustainable development and a dedicated (and part-time) unit to promote sustainable development that is handled by senior management authorized by the Board of Directors and supervised by the Board of Directors? (TWSE/TPEX Listed Companies shall report the implementation situation, not compliance or interpretation.)	✓		<p>1. The Company set up corporate social responsibility committee in 2014, promoted to the Board of Directors of the functional committee and established corporate social responsibility committee organizational rules in 2018 (<a href="https://www.usife.com/USIWebFiles/Others/USI_CSROrgRule.pdf">https://www.usife.com/USIWebFiles/Others/USI_CSROrgRule.pdf</a>), renamed the Commission on Sustainable Development in Q1 2022.</p> <p>2. The Committee consists of the Chairman, the General Manager, and two Independent Directors as approved by the Board of Directors. An Independent Director serves as the chief commissioner and the General Manager serves as the deputy chief commissioner. Under the Committee are a secretary and three teams, namely the Corporate Governance Team, Environmental Protection Team, and Social Relations Team. Each working group is composed of members assigned by the relevant department representatives, responsible for promoting sustainable development-related tasks. The project secretary is responsible for integrating the annual plans and execution results of each working group and reporting them to the committee. After the annual plan and execution results are reported to the committee, they will be submitted to the Board of Directors.</p> <p>3. The main responsibilities of the Sustainability Committee are as follows:                      (1) Agree on sustainable development policies.                      (2) Agree on sustainable development strategic plan, annual plan and project plan.                      (3) Supervise the implementation of sustainable development strategy planning, annual plan and project plan, and evaluate the implementation.                      (4) Review the Sustainability Report.                      (5) Annual report to the Board of Directors on the annual results of sustainable development.                      (6) Other matters directed by the Board resolution to be handled by the Committee.</p> <p>4. The committee holds at least two meetings per year. In 2024, two ESG Committee meetings were held on March 8 and August 8, with reports submitted to the Board of Directors. The committee reported to the Board on key stakeholder issues, communication channels, and actual execution results for the year.                      (1) Greenhouse gas inventory and verification performance.                      (2) Stakeholder agreement results, including stakeholder identity, issues of concern, communication channels and response methods.                      (3) Sustainable development performance and future promotion goals.                      (4) Implementation progress and planning of the Sustainability Report.                      The agenda items, after being reviewed and approved by the Sustainability Committee, were submitted to the Board for reporting. The committee will report to the Board of Directors on the implementation of sustainable development annually. Please refer to the Corporate Sustainability website: "Sustainability Council" under Corporate Governance and Operational Effectiveness/Under the Board and Functional Committee.  <a href="https://www.usife.com.tw/ESG/zh-tw/ESG21.aspx">https://www.usife.com.tw/ESG/zh-tw/ESG21.aspx</a></p> <p>5. Oversight of the Board of Directors                      The Board of Directors oversees and reviews the Company's management strategies and objectives in the areas of governance, environment, and society. It monitors progress and performance, approves the Sustainability Report, and provides strategic guidance and direction on key sustainability issues.</p>	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.



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II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (TWSE/TPEx Listed Companies shall report the implementation situation, not compliance or interpretation.) (Note 2)	✓		1. The disclosure period is from January 1, 2024 to December 31, 2024 for the sustainability performance. The risk assessment boundary is based on the Company, including Taipei Headquarters, Kaohsiung Plant, and Gueishan R&D Division. 2. The Sustainability Committee's implementation team collects and organizes sustainability issues for the Company with reference to international sustainability norms and standards (GRI General Guidelines: 2021, SASB, SGDs, TCFD), as well as the Company's operational goals and visions. Through internal (supervisors) and external (stakeholders) questionnaires, we conduct surveys based on the degree of positive/negative impacts of the issues and the possibility of potential issues occurring, and decide on material issues in the areas of the environment, society, and corporate governance, and disclose the management approach and execution performance of the material issues in the sustainability report in response to the needs and expectations of our stakeholders. 3. In accordance with the above materiality assessment principles, the Company formulates risk management policies or strategies for the materiality risk issues identified as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Aspect</th> <th>Significant Topic</th> <th>Relevant Management Policies or Strategies</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Environment</td> <td>Climate Change and Energy Management</td> <td>                             ✓ Continuing to Promote ISO 50001 Energy Utilization Management System                              ✓ Monitoring System and Efficiency Improvement                              ✓ Carbon Reduction Target Management Tracking in 2011                              ✓ Climate Change Financial Risk Management                              ✓ Green power procurement and construction planning                         </td> </tr> <tr> <td>Water Resources Management</td> <td>                             ✓ Promote ISO 46001 water resource management system.                              ✓ Water Conservation                              ✓ Control of water consumption per unit of product                              ✓ Water conservation program management tracking                         </td> </tr> <tr> <td>Air Pollution Prevention</td> <td>                             ✓ Increase leakage inspection frequency of equipment components.                              ✓ Air Emission Improvement                              ✓ Regulatory compliance                         </td> </tr> <tr> <td>Raw Materials Management</td> <td>                             ✓ Enhance the efficiency of raw material (ethylene) utilization.                              ✓ Apply for ISO 14021 PIR (Pre-Consumer material) certification.                              ✓ Introduction of bio-ethylene ISCC certification.                              ✓ Packaging material reuse and reduction                         </td> </tr> <tr> <td>Waste Management</td> <td>                             ✓ Waste Reduction                              ✓ Continuously promote the waste audit management system.                         </td> </tr> <tr> <td rowspan="2">Social</td> <td>Occupational Safety and Health</td> <td>                             ✓ Zero Hazard Policy                              ✓ Implementation of ISO 45001 Occupational Safety and Health Management System                              ✓ Process Safety Management (PSM) Implementation                              ✓ Zero Underground Pipeline Safety Incidents                              ✓ Occupational Safety Education and Training                              ✓ Emergency response drills                         </td> </tr> <tr> <td>Talent Attraction and Retention</td> <td>                             ✓ Establishment of diversified recruitment channels to find like-minded talents.                              ✓ Quality salary and comprehensive welfare system                              ✓ Emphasize human rights and provide a friendly workplace                         </td> </tr> <tr> <td>Governance</td> <td>Technology R&amp;D</td> <td>                             ✓ Environmentally friendly product development                              ✓ High-value product development                              ✓ Investment in R&amp;D                         </td> </tr> </tbody> </table>	Aspect	Significant Topic	Relevant Management Policies or Strategies	Environment	Climate Change and Energy Management	✓ Continuing to Promote ISO 50001 Energy Utilization Management System ✓ Monitoring System and Efficiency Improvement ✓ Carbon Reduction Target Management Tracking in 2011 ✓ Climate Change Financial Risk Management ✓ Green power procurement and construction planning	Water Resources Management	✓ Promote ISO 46001 water resource management system. ✓ Water Conservation ✓ Control of water consumption per unit of product ✓ Water conservation program management tracking	Air Pollution Prevention	✓ Increase leakage inspection frequency of equipment components. ✓ Air Emission Improvement ✓ Regulatory compliance	Raw Materials Management	✓ Enhance the efficiency of raw material (ethylene) utilization. ✓ Apply for ISO 14021 PIR (Pre-Consumer material) certification. ✓ Introduction of bio-ethylene ISCC certification. ✓ Packaging material reuse and reduction	Waste Management	✓ Waste Reduction ✓ Continuously promote the waste audit management system.	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<p>III. Environmental Issues</p> <p>(I) Has the Company established an appropriate environmental management system based on the characteristics of the industry to which it belongs?</p> <p>(II) Is the Company committed to improving energy efficiency and using recycled materials with low environmental load impact?</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company established the ISO 14001 environmental management system in 1998, which has been operating for more than 20 years and verified by the third-party. This environmental management system has provided the Company with an excellent environmental protection structure to control and reduce the impact on the environment, to prevent accidents from impacting the environment, and to ensure compliance with regulations. Greenhouse gas inventory is carried out annually according to ISO 14064-1. The Company also completed the ISO 50001 energy management system certification audit on November 1, 2022 and established a complete energy management system (the certification is valid from November 17, 2022 to November 11, 2025).</p> <p>(II) In terms of improving energy efficiency, six energy-saving initiatives were implemented in 2024, resulting in a total carbon reduction of 1,875 metric tons CO<sub>2</sub>e, with an investment of NT\$8.183 million.</p> <p>Regarding raw material management and recycling, the current development direction of the Company is as follows:</p> <p>1. Raw material recycling The Company's product manufacturing process is committed to improving the efficiency of raw material recovery, hoping to reduce raw material consumption, The recovery methods included high pressure recovery system improvement project of the second plant, setting of Monomer Refine Tower (MRT), connecting new Tower tank with old tower tank, Ethylene Purification Tower (EPT) is equipped with a condenser at the front end and a new compressor leak gas recovery system. The recovery rate of raw materials is increased to 14.4% in 2024.</p> <p>2. Application for ISO 14021 PIR (Pre-Consumer Material) Certification Waste materials (EVA/HDPE) generated during the production process are recycled and reused as plastic raw materials. Certification under ISO 14021 is expected to be obtained in 2025.</p> <p>3. Implementation of ISCC Certification for Bio-Ethylene Bio-ethylene is derived from renewable resources and serves as an alternative to conventional petrochemical-based ethylene. It offers advantages such as reduced carbon emissions, lower carbon footprint, renewability, biodegradability, decreased reliance on fossil fuels, and support for a green economy and the use of renewable resources. As a recoverable and renewable green</p>	<p>Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>																																		



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(III) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?	✓		<p>alternative material, bio-ethylene contributes to carbon reduction and environmental protection, playing a significant role in promoting sustainable economic development. The Company expects to complete ISCC certification for bio-ethylene by the end of 2025.</p> <p>(III) In order to implement the commitments to corporate sustainable development and to continuously manage the risks associated with climate change and response strategies and measures, in addition to following the energy conservation and carbon reduction targets set by the USI Group, the Company has referred to the identification process of climate risks and opportunities under the Task Force on Climate-related Financial Disclosures (TCFD) framework released by the Financial Stability Board (FSB) in 2017 to identify risks and opportunities while establishing response measures and implementing plans. Please refer to the Company's TCFD Report (<a href="https://www.usife.com.tw/ESG/zh-tw/ESG73.aspx">https://www.usife.com.tw/ESG/zh-tw/ESG73.aspx</a>), Sustainability Report "4.5 Climate Change and Energy Management" (<a href="https://www.usife.com.tw/ESG/zh-tw/ESG72.aspx">https://www.usife.com.tw/ESG/zh-tw/ESG72.aspx</a>), and the Company's official website (<a href="https://www.usife.com/ESG/zh-tw/ESG35.aspx">https://www.usife.com/ESG/zh-tw/ESG35.aspx</a>)</p>	
(IV) Does the Company calculate the amount of greenhouse gas emission, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumptions, carbon and greenhouse gas emissions, and waste production?	✓		<p>(IV) In order to monitor the Company's greenhouse gas emissions and comply with the environmental regulation "Enterprises shall inventory, register, and verify emission sources of greenhouse gas emissions" (announced on February 2, 2024), annual greenhouse gas inventories are conducted for the Taipei Office, Guishan Laboratory, and Kaohsiung Plant. Additionally, since the combined Scope 1 and Scope 2 emissions at the Kaohsiung Plant exceed the regulatory threshold of 25,000 metric tons per year, annual inventories are conducted and reported to the Environmental Protection Administration. Emissions are consolidated using the operational control approach for major emission sources. In line with the government's GHG reduction policy, the Company has formulated energy conservation and carbon reduction plans for each unit and set plant-wide energy conservation and carbon reduction goals. In addition, the Company has also established a energy conservation and carbon reduction team with the help of the affiliated companies of USI Corporation, and put together consistent approaches through resource integration and experience sharing in order to jointly promote practical and effective energy conservation and carbon reduction plans and perform quarterly review of implementation results.</p> <p>In line with the FSC's sustainable development roadmap for listed companies, the Company completed individual entity inventory and assurance in 2023, ahead of the 2024 regulatory schedule, and completed the inventory and assurance for consolidated subsidiaries in November 2024, ahead of the 2027 regulatory schedule. Relevant assurance information is provided in Table 2-2-3.</p> <ul style="list-style-type: none"> <li>● Greenhouse Gas Emissions (Based on Internal Inventory; External Assurance to Be Completed by June)</li> </ul> <p>The Company's greenhouse gas inventory covers the Kaohsiung Plant, Guishan R&amp;D Division, and Taipei Headquarters, including Scopes 1, 2, and 3 emissions.                      Total emissions for 2023: 636,350 metric tons CO<sub>2</sub>e /year.                      Internal Scopes 1 and 2 emissions for 2024: 138,300 metric tons CO<sub>2</sub>e/year. Scope 3 emissions are pending internal inventory and assurance.</p> <p>Promotion of Energy Conservation and Carbon Reduction Measures</p> <ol style="list-style-type: none"> <li>(1) Transition to low-carbon energy</li> <li>(2) Improvement of energy efficiency</li> <li>(3) Implementation of intelligent monitoring</li> </ol>	

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			<p>(4) Installation and utilization of renewable energy  (5) Ongoing focus on low-carbon fuels  (6) Carbon capture and reuse technologies  (7) Negative emission technologies</p> <ul style="list-style-type: none"> <li>● Total Water Withdrawal (USI Corporation Kaohsiung Plant):  969,538 million liters in 2023.  938,423 million liters in 2024.</li> <li>● Total Waste (USI Corporation Kaohsiung Plant):  528.46 metric tons in 2023.( 78.22 metric tons of hazardous waste and 450.24 metric tons of non-hazardous waste.)  559.75 metric tons in 2024.(94.03 metric tons of hazardous waste and 465.72 metric tons of non-hazardous waste.)</li> </ul> <p>The implementation plans and results of energy conservation and carbon reduction, water conservation, and waste management policy of the Company in 2024 are as follows:</p> <p>I. Energy saving and carbon reduction:</p> <p>1. Target:</p> <ol style="list-style-type: none"> <li>(1) Annual electricity saving 1.18%.</li> <li>(2) Greenhouse Gas Emissions (Scope 1 + Scope 2): 140,800 metric tons CO<sub>2</sub>e.</li> <li>(3) Six energy conservation and carbon reduction programs are planned for 2024, with an estimated carbon reduction of 1,629 metric tons of CO<sub>2</sub>e.</li> </ol> <p>2. Measures:  Execution of six energy-saving and carbon reduction initiatives, with an estimated carbon reduction of 1,629 metric tons CO<sub>2</sub>e.</p> <p>3. Results:</p> <ol style="list-style-type: none"> <li>(1) Annual electricity savings rate: 1.88% (Average electricity savings rate from 2015 to 2024: 1.45%)</li> <li>(2) Total greenhouse gas emissions (Scope 1 + Scope 2) amounted to 136,700 metric tons CO<sub>2</sub>e.</li> <li>(3) A total of six energy-saving and carbon reduction projects were implemented, achieving a total carbon reduction of 2,990 metric tons CO<sub>2</sub>e.</li> <li>(4) Finish ISO 14064-1 greenhouse gas emissions inventory and checking</li> </ol> <p>II. Water saving (USI Corporation Kaohsiung Plant):</p> <ol style="list-style-type: none"> <li>1. Target: water-saving amount: 46,000 metric tons/year, with a water saving rate of 4.4%, and a 0.5% reduction in unit water consumption compared to the baseline year of 2022.</li> <li>2. Measures: Continuous wastewater monitoring and recycling.</li> <li>3. Implementation methods and results of 2024: <ol style="list-style-type: none"> <li>(1) Improvements were made to the wastewater treatment system, MRT condensate water recycling, and the rainwater harvesting system of the detention basin. The total volume of water recycled throughout the year reached 61,980 metric tons, achieving a water saving rate of 6.20%.</li> <li>(2) Received a CDP Water Security rating of Grade B (Management level).</li> <li>(3) Obtained ISO 46001:2019 Water Efficiency Management System certification in 2022 (valid from 2022 to 2025).</li> <li>(4) In 2024, the TISF obtained a statement of water recycling rate verification, which verified that the water recycling rate in 2023 was 92.2%.</li> </ol> </li> </ol>	



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			<p>III. Methods and results of waste management implementation:</p> <p>1. Target: To strengthen the control of waste flow direction.</p> <p>2. Management policy: Audit on waste removal and disposal companies.</p> <p>3. Implementation results:</p> <p>(1) Random inspection was conducted on 11 waste removal manufacturers and 9 waste disposal manufacturers, and the inspection results were all in line with relevant laws and regulations.</p> <p>(2) Four adsorption towers were upgraded. In 2024, the volume of spent filling materials generated was 2 metric tons, representing a 91% reduction compared to 21.47 metric tons in 2022.</p>																	
<p>IV. Social Issues</p> <p>(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>(I) © Human Rights Policy</p> <p>The Company has made reference to internationally recognized human rights standards, including the International Bill of Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work to fully exercise CSR and implement human rights protection while upholding universal human rights values. Besides, the Company has established human rights policy applicable to the Company and all affiliates of the USI Group in March 2018, to eliminate human rights violations; as such, the Company's current employees, in addition to enjoying a reasonable and safe workplace, can be treated in a reasonable and dignified manner.</p> <p>© Human Rights Risk Identification and Assessment</p> <p>Human rights risk identification is conducted annually. Compliance checks and assessments are carried out on identified human rights issues. Based on the results of risk assessments and findings from internal and external audits, mitigation and corrective measures are implemented, and continuous improvements are made to achieve risk management objectives.</p> <p>The Company has established steps and procedures for each stage of human rights management as the foundation for safeguarding human rights, which include:</p> <p>Declaration → Identification → Assessment and Analysis → Actions and Measures → Reporting</p> <p>Human rights issues involve various departments and units. The Human Resources Department conducts human rights due diligence and risk management processes based on the affected parties and specific issues.</p> <p>© Human Rights Due Diligence Process</p> <table border="1"> <thead> <tr> <th>Stage</th> <th>Step</th> <th>Approach</th> </tr> </thead> <tbody> <tr> <td>Stage 1: Commitment</td> <td>Declaration</td> <td>Publicly commit to supporting and complying with international standards and local laws, and formulate a human rights policy.</td> </tr> <tr> <td rowspan="2">Stage 2: Management</td> <td>Identification</td> <td>Identify major human rights issues and affected parties based on the organization's nature and business operations.</td> </tr> <tr> <td>Assessment and Analysis</td> <td>Regularly assess human rights impacts across all employees and service processes to understand the level of risk exposure.</td> </tr> <tr> <td rowspan="2">Stage 3: Response Measures</td> <td>Actions and Measures</td> <td>Develop various action plans based on the assessed level of human rights risk. Monitor implementation and performance of action plans and conduct communication to ensure effective human rights management. In the event of a human rights violation, provide compensatory measures including system improvements and material or psychological support.</td> </tr> <tr> <td>Reporting</td> <td>Internally report and discuss human rights management; publicly disclose practices and performance on the Company website.</td> </tr> </tbody> </table>	Stage	Step	Approach	Stage 1: Commitment	Declaration	Publicly commit to supporting and complying with international standards and local laws, and formulate a human rights policy.	Stage 2: Management	Identification	Identify major human rights issues and affected parties based on the organization's nature and business operations.	Assessment and Analysis	Regularly assess human rights impacts across all employees and service processes to understand the level of risk exposure.	Stage 3: Response Measures	Actions and Measures	Develop various action plans based on the assessed level of human rights risk. Monitor implementation and performance of action plans and conduct communication to ensure effective human rights management. In the event of a human rights violation, provide compensatory measures including system improvements and material or psychological support.	Reporting	Internally report and discuss human rights management; publicly disclose practices and performance on the Company website.	<p>Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.</p>
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			<p>assigned people to inspect and control the working hours of the plant every month.</p> <p>◎ Human rights protection training practices</p> <p>1. Orientation Training Upon arrival, employees are required to conduct relevant legal compliance education and training, including sexual harassment prevention, anti-discrimination, anti-harassment, implementation of working hour management, and protection of humane treatment.</p> <p>2. Prevention of workplace violence Through publicity and announcements, employees are made aware of their responsibilities to help ensure that there is no illegal infringement in the workplace during the performance of their duties, and expose the complaint line to jointly create a friendly working environment.</p> <p>3. Occupational safety training Including safety and health education training, fire safety training, emergency response, first aid personnel training, etc.</p> <p>4. Integrity and moral advocacy Education and communication on the standards of daily behavior and ethics to provide a healthy and positive workplace culture.</p> <p>◎ The Company continues to pay attention to human rights protection and carry out relevant training to improve the awareness of human rights protection and reduce the possibility of related risks. In 2024, a total of 1,848 participants and 6,629.5 hours of training were held to promote human rights protection. The participants and training are listed as follows:</p> <table border="1"> <thead> <tr> <th>Course Title</th> <th>Total Participants</th> <th>Total Training Hours</th> </tr> </thead> <tbody> <tr> <td>Process Safety Training</td> <td>283</td> <td>844.5</td> </tr> <tr> <td>Work safety training/advocacy</td> <td>1,063</td> <td>3586.0</td> </tr> <tr> <td>Environmental Training</td> <td>18</td> <td>124.0</td> </tr> <tr> <td>On-the-Job Occupational Safety and Health Training (including on-the-job training and refresher training for operations supervisors)</td> <td>232</td> <td>779.0</td> </tr> <tr> <td>Emergency Response and Evacuation Drills</td> <td>51</td> <td>166.0</td> </tr> <tr> <td>Self-defense and fire marshalling team personnel</td> <td>107</td> <td>856.0</td> </tr> <tr> <td>Fire Practice / Advocacy</td> <td>79</td> <td>177.0</td> </tr> <tr> <td>First Aid Personnel Education Training Related to Vocational Care</td> <td>15</td> <td>97.0</td> </tr> <tr> <td>Total</td> <td>1,848</td> <td>6,629.5</td> </tr> </tbody> </table> <p>◎ Human rights risk mitigation measures The Company undertakes to ensure the safety of its employees and working environment, the respect and dignity of its employees, the environmental protection of its operations and the compliance with regulations and ethics. To demonstrate this commitment, we should respect employees based on integrity, assign special personnel to carry out employees' occupational safety and health operations in accordance with the law, implement human rights policies into daily operation in addition to continuous advocacy and education, and establish channels for reasonable complaints.</p> <p>◎ 2024 Human Rights Management Outcomes Based on the Company's "Human Rights Policy and Management Program," 14 human rights issues were identified through risk assessment during the year. Among them, 9 were classified as critical management items, including: "workplace inclusiveness", "forced labor", "excessive working hours", "sexual harassment", "unlawful workplace violations", "child labor", "personal data and privacy protection", "occupational safety management", and "employment and workplace discrimination". For the identified critical issues with potential risks, the Company has implemented risk mitigation and impact compensation measures, with a 100%</p>	Course Title	Total Participants	Total Training Hours	Process Safety Training	283	844.5	Work safety training/advocacy	1,063	3586.0	Environmental Training	18	124.0	On-the-Job Occupational Safety and Health Training (including on-the-job training and refresher training for operations supervisors)	232	779.0	Emergency Response and Evacuation Drills	51	166.0	Self-defense and fire marshalling team personnel	107	856.0	Fire Practice / Advocacy	79	177.0	First Aid Personnel Education Training Related to Vocational Care	15	97.0	Total	1,848	6,629.5	
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			<p>implementation rate for impact compensation. The following mitigation and compensation measures have been implemented:</p> <table border="1"> <thead> <tr> <th>Issues</th> <th>Mitigation Measures</th> <th>Compensation Measures</th> </tr> </thead> <tbody> <tr> <td>Workplace Inclusiveness</td> <td> <p>1. In compliance with legal requirements, the Company hires persons with disabilities in sufficient numbers.</p> <p>2. An accessible workplace environment has been created to support employees with disabilities.</p> <p>In addition to these inclusive policies, the Group has established and disclosed a workplace diversity policy. The standard document "Group Recruitment and Employment Management Measures" clearly stipulates that recruitment, selection, employment, assignment, and deployment shall not involve discriminatory treatment based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, astrological sign, or blood type. Furthermore, the Group actively promotes a diverse and inclusive workplace where foreign workers (including blue-collar, white-collar, and overseas students), indigenous peoples, and female employees are provided with equal employment opportunities and career development. Through talent development mechanisms based on suitability and strengths, the Company offers diversified training programs and competency development plans to foster inclusion and growth for diverse talents, enabling each employee to thrive in the most suitable position and grow together.</p> </td> <td> <p>Where hiring targets have not been fully met, actions have been taken in accordance with competent authorities' regulations, and adjustments are made during the recruitment process to improve the diversity hiring ratio.</p> </td> </tr> </tbody> </table> <p>◎ Assist employees to maintain physical and mental health and work life balance</p> <p>(1) To safeguard employee health, the Company commissions major hospitals to conduct annual health checkups and submits reports to the competent authority as required. In addition, special health examinations are conducted for plant employees to ensure workplace safety and health management.</p> <p>(2) The Company provides venues or sponsorship funds to encourage employees to participate in health activities. Employees form their own clubs to unite the emotions of colleagues through club activities.</p> <p>(3) Besides holding year-end banquets, Mid-Autumn evening party, guessing lantern riddles and other activities to adjust the body and mind of employees and cohesion of the centripetal force, the Company also sets sports and fitness equipment for employees to use after work.</p> <p>(4) In order to encourage employees to maintain physical and mental health and achieve work-life balance, the Taipei Region promoted the "USI Gathering Walking" in 2013. Through the goal of walking 6,000 steps per day, employees were able to cultivate a regular exercise habit in the midst of their busy work schedules. Employees work together to turn their accumulated steps into corporate tree-planting activities, realizing the dual values of health promotion and environmental sustainability. In the process, colleagues not only strengthen their physical and mental vitality, but also enhance workplace cohesion and centripetal force through teamwork and mutual encouragement.</p> <p>◎ Appeal system</p> <p>The Company has set up a smooth complaint channel. Colleagues who have problems within the Company can complain to supervisors at all levels or the Human Resources Department through the complaint channel. In addition, to maintain gender equality in the workplace and provide a harassment-free environment for employees and job seekers, the Company has established dedicated complaint channels, including a sexual harassment prevention mailbox and an electronic mail system for reporting illegal activities. 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(II) Does the Company formulate and implement reasonable employee benefits measures (including compensation, days-off, and other benefits, etc.), and appropriately link the operating performance or results to employee compensation?	✓		<p>complainant's name or other relevant information sufficient to identify the complainant will not be disclosed during the investigation.</p> <p>(II) The Company's Articles of Association stipulate that if there are profits in a given year, employee compensation should be distributed, not less than 1% of that year's profits. This has been amended to stipulate that if there are profits in a given year, employee compensation should be distributed, not less than 1% of that year's profits. The total amount of employee compensation distributed should allocate no less than 40% of the amount to frontline employees. All employees of the Company are entitled to share in the Company's operating results.</p> <p>◎ Employee compensation The Company has a Remuneration Committee to review the compensation policy regularly. The rewards and punishments are linked to year-end bonuses to make the reward and punishment system clear and effective. Pay year-end bonuses according to the Company's profit, employee's individual performance, and the achievement rate of organizational goals.</p> <p>◎ Employee welfare measures The Company has multiple welfare measures:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Welfare</th> <th>Content</th> </tr> </thead> <tbody> <tr> <td>Bonus</td> <td>Year-end bonuses, holiday gifts,</td> </tr> <tr> <td>Vacation</td> <td>Parental leave, physiological leave, family care leave, maternity leave, maternity examination leave, paternity examination and paternity leave without pay</td> </tr> <tr> <td>Insurance</td> <td>Labor insurance, health insurance, employee business travel safety insurance, employee/family group insurance, labor refund allowance</td> </tr> <tr> <td>Transportation</td> <td>Employee parking lots, transportation allowance</td> </tr> <tr> <td>Entertainment</td> <td>Employee association sponsorship, employee travel, year-end banquet,</td> </tr> <tr> <td>Subsidy</td> <td>On-the-Job Training for Employees and Subsidies for Domestic and Overseas Continuing Education</td> </tr> <tr> <td>Other benefits</td> <td>Employee maternity benefits, wedding and funeral subsidies, employee travel subsidies, recognition for senior employees, children's education subsidies, regular health checks, and wellness programs, etc.</td> </tr> </tbody> </table>	Welfare	Content	Bonus	Year-end bonuses, holiday gifts,	Vacation	Parental leave, physiological leave, family care leave, maternity leave, maternity examination leave, paternity examination and paternity leave without pay	Insurance	Labor insurance, health insurance, employee business travel safety insurance, employee/family group insurance, labor refund allowance	Transportation	Employee parking lots, transportation allowance	Entertainment	Employee association sponsorship, employee travel, year-end banquet,	Subsidy	On-the-Job Training for Employees and Subsidies for Domestic and Overseas Continuing Education	Other benefits	Employee maternity benefits, wedding and funeral subsidies, employee travel subsidies, recognition for senior employees, children's education subsidies, regular health checks, and wellness programs, etc.	
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(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>(III) The Company continues to promote the acquisition of ISO 14001 Environmental Management System validation (valid until July 2, 2025) and ISO 45001 Occupational Safety and Health Management System Validation (valid until April 16, 2028). The work safety department and the responsible department of construction of the plant shall conduct regular inspection and inspection of various operations on a daily basis, and further implement the safety and health management by combining the mutual supervision and experience exchange of the related enterprises of USI Group. The Company has an "Occupational Safety and Health Committee (OSHC)" established in accordance with the "Regulations for Occupational Safety and Health Management," with labor representatives elected or appointed by the union. The committee meets with management every quarter to discuss, coordinate, plan, and make decisions on issues related to occupational safety and health, and implement employee participation, consultation, and communication. Since the Company maintains good communication with employees through unions and labor-management meetings, no special collective agreements have been established between the two parties. We team up with the Taiwan Responsible Care Association (TRCA) to promote industrial safety, health, and environmental protection together and learn from one another in order to improve the protection of employee safety and health. In addition, we organize fire exercises and industrial safety education and training biannually to develop emergency response skills and self-safety management of employees. Based on the production activities of the Company, we have established emergency response procedures for raw material (chemical) leakage, fire, explosions, and earthquakes. In addition, we have classified incidents into three</p>																	

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			<p>levels and have planned different response measures. In 2024, we reviewed the fire protection team personnel of our plant again. In addition to the regular day shift personnel, we also incorporated the holiday and night shift personnel planning into the emergency personnel team, so that we can effectively respond to and deal with the accident immediately when it happens. According to the severity of the accident, the corresponding strain mode is adopted. The relevant strain process is described as follows:</p> <p>Stage 1: Minor leakage of hazardous substances and a minor fire occur within the plant.</p> <ul style="list-style-type: none"> <li>● The on-duty officer should be the scene response commander, who directs the fire protection team members of the shift to carry out the initial response and disposal.</li> </ul> <p>Stage 2: Major leakage of hazardous substances and a major fire occur within the plant where the emergency response team of the incident occurring unit cannot effectively control the situation, and it must mobilize the plant's emergency response organization to support. Supervisors at all levels shall be notified, and relevant units outside the plant shall be requested for personnel and emergency equipment support.</p> <ul style="list-style-type: none"> <li>● The on-duty officer sends request for support to the head of unit and mobilizes the emergency response organization according to the alert and reporting procedure.</li> <li>● Based on the emergency situation, request for support outside of the plant and notify relevant agencies when necessary.</li> <li>● Determine the need to immediately shut down plant operations and isolate the incident affected area.</li> <li>● The site commander can be the head of the incident occurring unit or department, until the general plant manager or his/her deputy takes over the command.</li> <li>● Set up a response command center to gather information regarding the latest situation for the chief commander to make decisions and notify the response organization.</li> </ul> <p>Stage 3: The incident may spread outside of the plant and its impact reaches outside of the plant.</p> <ul style="list-style-type: none"> <li>● The general plant manager or his/her deputy becomes the chief commander to command the emergency plan within the plant and report the situation to the Fire Bureau of Kaohsiung City and other units related to industrial safety and environmental protection, and transfer the command to Disaster Response Center, Kaohsiung City.</li> <li>● If the situation is out of control and endangers the lives of employees and relief personals, an evacuation shall be ordered.</li> </ul> <p>Fire injury statistics (Renwu Plant in Kaohsiung)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Fire number</th> <th>Fire injuries number</th> <th>Fire death number</th> <th>Proportion of employees to total workforce.</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>0</td> <td>0</td> <td>0</td> <td>0%</td> </tr> <tr> <td>2023</td> <td>0</td> <td>0</td> <td>0</td> <td>0%</td> </tr> <tr> <td>2024</td> <td>0</td> <td>0</td> <td>0</td> <td>0%</td> </tr> </tbody> </table> <p>The Company is committed to safeguarding the physical and mental health of its employees as well as a safe working environment. In terms of health care, TSMC provides annual employee health checkups that are better than the regulatory standards and arranges specialized health checkups for special operations such as noise, dust, n-hexane, free-radiation, and 1,3-butadiene, and combines them with data from the industrial environment for risk identification and health management. The Company also arranges monthly resident doctors to provide free medical consultation and health promotion services, and enhances employees' health awareness and mobility through seminars.</p>	Year	Fire number	Fire injuries number	Fire death number	Proportion of employees to total workforce.	2022	0	0	0	0%	2023	0	0	0	0%	2024	0	0	0	0%	
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			<p>For shift workers, the Company not only strictly prohibits overtime work, but also screens high-risk cardiovascular groups for health checks such as electrocardiograms and fatigue indices, and implements administrative controls such as limiting the frequency of night shifts, proactively tracking medical conditions, and providing health guidance. In 2024, a total of 135 people were arranged to undergo special occupational health examinations and health management in accordance with the health examination classification and management system. It is hoped that through the complete health risk classification and management system, high-risk groups can be identified, and individual health guidance and advice can be given on points to note in the workplace to minimize the risk of occupational diseases, and to continue to improve the front-end engineering and the back-end health care in a two-pronged manner, to create a healthier and more comfortable workplace environment. At the same time, we also promote the prevention of workplace bullying and mental health education, and set up a complaint channel to be followed up by nursing staff.</p> <table border="1"> <thead> <tr> <th>Health Check Item</th> <th>Number of Inspectors</th> <th>Level 1 Management</th> <th>Level 2 Management</th> <th>Level 3 Management</th> <th>Level 4 Management</th> </tr> </thead> <tbody> <tr> <td>Noisy operation</td> <td>89</td> <td>62</td> <td>27</td> <td>0</td> <td>0</td> </tr> <tr> <td>Dust</td> <td>61</td> <td>60</td> <td>1</td> <td>0</td> <td>0</td> </tr> <tr> <td>Free radiation</td> <td>44</td> <td>22</td> <td>22</td> <td>0</td> <td>0</td> </tr> <tr> <td>Hexane</td> <td>8</td> <td>8</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>In conjunction with workplace-friendly measures, such as childcare subsidies, breastfeeding rooms, employee trips and social activities, we continue to create a workplace environment that emphasizes health, safety and well-being, demonstrating our commitment to employee workplace safety.</p> <p>At USI, the safety management of contractors and suppliers is equally important. Therefore, we have established the "Contractor Management Regulations" and the "Contractor Entry Management Manual." Both documents include industrial safety education and training for contractors, and they must pass safety certification before they can perform their contracts at USI. To strengthen safety supervision during construction, we have established the "Labor Safety and Health Tour Inspection Regulations" to implement ESH tour inspections every day within the plant to improve the safety of all processes and ensure the safety, life, and health of employees. Before implementing high-risk work, we run a risk assessment process to identify hazards, assess risk, take precautionary measures, and review the emergency response plan. We also hold communication and coordination meetings with contractors before commencement of work to ensure operation safety. Education, training, and publicity are the foundation to promote ESH awareness to employees and contractors. By establishing the "Labor Safety and Health Education and Training Regulations", we provide knowledge and skill training for different categories of employees and contractor personnel based on actual need. In 2024, a total of 4,547 people participated in 473 sessions of environmental safety and health education and training, with a total of 13,589 training hours. A total of 950 employees and contractors were trained (100% training rate).</p>	Health Check Item	Number of Inspectors	Level 1 Management	Level 2 Management	Level 3 Management	Level 4 Management	Noisy operation	89	62	27	0	0	Dust	61	60	1	0	0	Free radiation	44	22	22	0	0	Hexane	8	8	0	0	0	
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(IV) Has the Company established an effective career developmental plan for its employees?	✓		<p>◎ Work safety check</p> <p>Before the contractor enters the plant, the security guard shall confirm the physical and mental condition of the contractor and the vehicle control, conduct liquor test in time, and preliminarily master the safety state of the vehicle entering the plant. The Work Safety Section conducts a comprehensive inspection and confirmation for all on-site operations every day to reduce the occurrence of unsafe behaviors on site. The inspection results will be logged in the "Environmental Safety and Health Management platform" and reported in the quarterly meeting of the Occupational Safety Committee, to effectively grasp the deficiencies and track the management of improved results. The Group's Audit Office provides semi-annual audit guidance, and the plant also immediately improves and tracks missing items. In addition, the general manager leads the first-level and second-level supervisors to carry out 6S inspection of the whole plant area from time to time, and carry out on-the-spot review of defects and division of rights and responsibilities. USI aims to enhance occupational safety and process safety through comprehensive work safety audit management.</p> <table border="1"> <thead> <tr> <th>Implementation Focus (Audit Unit)</th> <th>Implementation Frequency</th> </tr> </thead> <tbody> <tr> <td>Physical and mental condition check of contractor before entering the plant (guard)</td> <td>Non-scheduled</td> </tr> <tr> <td>Contractor Agreement Organization Data Audit (Work Safety Section)</td> <td>Daily</td> </tr> <tr> <td>Operation site inspection and Recording (Work Safety Section)</td> <td>Daily</td> </tr> <tr> <td>Presentation on Defect and Improvement Review (Work Safety Section)</td> <td>Quarterly Occupational Safety Committee</td> </tr> <tr> <td>6S inspection of the whole plant area (Senior executives)</td> <td>Semiannually</td> </tr> <tr> <td>Safety operation and regulation audit (Audit Office)</td> <td>Semiannually</td> </tr> </tbody> </table> <p>◎ Equipment safety management</p> <p>The Company carries out hierarchical management of equipment according to the regulations of labor inspection, and lists and conducts regular inspection of dangerous machinery and equipment according to law to ensure the safety of equipment. In 2024, the Company conducted inspections on five units of hazardous machinery and 230 units of hazardous equipment to ensure operational safety and uninterrupted production.</p> <p>After a thorough review and improvement of relevant measures, the Company immediately revised the automatic inspection items and safety interlock component checks of machinery, reiterated the Company's safety and life-protection policies, and initiated supervisor engagement to monitor the physical and mental well-being of employees to ensure workplace safety.</p> <p>In 2024, there were no incidents of fines due to violations of occupational safety and health regulations, no cases of occupational injuries, and no occupational injuries involving contractors. From January to December 2024, the Company recorded a total of 860,118 working hours without any disabling injuries (including both employees and contractors).</p> <p>(IV) Career Development and Training Program</p> <p>To enhance overall employee competitiveness, the Company aligns its training programs with external developments, group business policies, corporate development strategies, departmental performance objectives, and employees' career development needs, thereby establishing a comprehensive training system that offers necessary training courses for holistic talent development.</p> <p>The training structure comprises three major components: On-the-Job Training (OJT), Off-the-Job Training (Off-JT), and Self-Directed Learning (SD). This structured and systematic planning supports employees' career development and extends to a lifelong learning framework.</p>	Implementation Focus (Audit Unit)	Implementation Frequency	Physical and mental condition check of contractor before entering the plant (guard)	Non-scheduled	Contractor Agreement Organization Data Audit (Work Safety Section)	Daily	Operation site inspection and Recording (Work Safety Section)	Daily	Presentation on Defect and Improvement Review (Work Safety Section)	Quarterly Occupational Safety Committee	6S inspection of the whole plant area (Senior executives)	Semiannually	Safety operation and regulation audit (Audit Office)	Semiannually	
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(V) Has the Company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing and labeling, and formulated relevant consumer or client protection policies and grievance procedures?	✓		<p>For new employees, the training includes a detailed introduction to the group's corporate culture, business philosophy, labor regulations, organizational systems, professional skills, and operational processes to help them quickly integrate into the work environment and enhance their sense of identification and cohesion with the Company. Specialized or safety-related training courses are also conducted according to departmental requirements.</p> <p>For current employees, a training needs survey is conducted in the fourth quarter of each year to develop the annual training plan and budget. Regular programs include professional competency training, management training, thematic seminars, health lectures, and various workshops. The training methods are diverse, incorporating not only lectures but also activities, case studies, and group discussions to create a more engaging learning experience. A digital learning platform is also provided to support self-paced learning, enabling employees to continuously improve their professional or managerial skills and achieve a balanced development of body, mind, and spirit.</p> <p>For succession candidates, training is implemented to ensure smooth transition and continuity in key positions. The program includes job rotation, overseas assignments, project leadership, and courses in management skills and leadership development, aiming to prevent talent gaps and ensure the Company's operational stability and long-term competitiveness.</p> <p>For retiring employees, courses on retirement financial planning, health management, and lifestyle adjustment are offered to support a smooth transition into retirement.</p>	
(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? And, how well are those policies implemented?	✓		<p>(V) The Company strives to provide clients with satisfying services and hopes to establish long-term partnerships with them while following relevant laws and international standards and formulating relevant consumer protection policies and complaint procedures to maintain customers' health and safety. In terms of customer data protection, the Group's Information Technology Division has established various regulations to protect and control all types of information. It has also adopted measures such as strengthening firewall management, access authority control, and separation of the test environment and the physical working environment to implement rigorous access control strategies and procedures for customer data and avoid the risks of leakage of customers' confidential information. In 2024, there were no violations of product labeling regulations and fines thereof, nor breaches of customer privacy or leaks of their data.</p> <p>(VI) The Company establishes long-term cooperation with high-quality suppliers based on quality, capability and environmental protection policies, fulfills corporate social responsibilities, and delivers the idea of environmental protection policies to contractors and carriers. At the same time, the Company complies with the Restriction of Hazardous Substances (RoHS) directive and enhances environmental protection education and training. The Company also pays serious attention to the safety of construction companies in the plant area and ensures the safety of various operations so as to protect the safety and health of workers and jointly engage in good risk management. Therefore, before corresponding with suppliers, the Company must evaluate and screen them. For those who have poor records on adversely impacting the environment and society in the past, the Company avoids doing business with them. Besides, the Company encourages new/existing suppliers to fill in the social responsibility commitment form for self-evaluation, complete two vendor field audits in 2024 and requires them to follow relevant regulations on issues such as environmental protection, occupational safety and health, or human rights of labors. At the end of the year, we cooperated closely with customers, attached the "Supply chain low-carbon transformation guidance Plan" of the Ministry of Economic Affairs, and worked together with customers and their supply chains to achieve the goal of reducing carbon by 10,000 tons in 2025.</p>	

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V. Does the Company prepare corporate Sustainability Reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the Company obtain third-party assurance or qualified opinion for the reports above?	✓		The 2024 annual report complies with the GRI Standards and was reviewed by Deloitte & Touche, the appointed third-party assurance provider. The review included verification of compliance with the GRI Standards and the performance of limited assurance procedures on five ESG indicators in accordance with the Assurance Standards Bulletin No. 3000, with an assurance report issued accordingly.	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.																																																				
VI. If the Company has established its own Sustainability Practice Principles in accordance with the "TWSE/TPEX Listed Companies Sustainability Practice Principles", state the discrepancies between these principles and its implementation: On March 12, 2015, the Board of Directors approved the adoption of the "Corporate Social Responsibility Best Practice Principles." The principles were subsequently amended and approved by the Board on August 13, 2020, and March 10, 2022, to further strengthen the implementation of corporate social responsibility. On March 7, 2023, in line with the latest revision of the "TWSE/TPEX Listed Companies Sustainability Practice Principles", the Company amended its "Corporate Social Responsibility Practice Principles" to the "Sustainability Practice Principles". The Company manages economic, environmental, and social risks and impacts in accordance with these principles and makes improvements accordingly. No deviations have been identified since implementation.																																																								
VII. Other important information for understanding the implementation of sustainable development: (I) Composition, functions, and operation of the Sustainability Council: The Company's Sustainability Council was officially established on June 26, 2018 and its composition, duties, and operations are as follows: 1. Information on the Members: <table border="1" data-bbox="259 635 2074 863"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Expertise</th> </tr> </thead> <tbody> <tr> <td>Chairman of the Committee</td> <td>Tu, Tzu-Chun, Independent Director</td> <td>Operational judgment, accounting and finance, business management, crisis management, industry knowledge, leadership, decision-making, environmental protection</td> </tr> <tr> <td>Vice Chairman of the Committee</td> <td>Wu, Pei-Chi, Director and General Manager</td> <td>Operational judgment, business management, crisis management, industry knowledge, international markets, leadership, decision-making</td> </tr> <tr> <td>Committee Member</td> <td>Quintin Wu, Chairman</td> <td>Operational judgment, accounting and finance, business management, crisis management, industry knowledge, international markets, leadership, decision-making</td> </tr> <tr> <td>Committee Member</td> <td>Hai, Ying-Chun, Independent Director</td> <td>Operational judgment, accounting and finance, business management, crisis management, leadership, decision-making, environmental protection</td> </tr> <tr> <td>Committee Member</td> <td>Chen, Sheng-Te, Independent Director</td> <td>Operational judgment, accounting and finance, business management, crisis management, leadership, decision-making</td> </tr> </tbody> </table> <p>(1) The Committee consists of the Chairman, the General Manager, and three Independent Directors as approved by the Board of Directors. An Independent Director serves as the chief commissioner and the General Manager serves as the deputy chief commissioner.</p> <p>(2) The current term of office is from June 6, 2023 to May 30, 2026. The members of the committee include: the Company's Chairman Quintin Wu, General Manager Wu, Pei-Chi, Independent Director Tu, Tzu-Chun, Independent Director Hai, Ying-Chun and Independent Director Chen, Sheng-Te, a total of 5 people.</p> <p>(3) The Sustainability Council holds at least two meetings a year. Two meetings were held in the most recent year with 100% attendance in person.</p> 2. Responsibilities: <ol style="list-style-type: none"> <li>Agree on sustainable development policies.</li> <li>Agree on sustainable development strategic plan, annual plan and project plan.</li> <li>Supervise the implementation of sustainable development strategy planning, annual plan and project plan, and evaluate the implementation.</li> <li>Review the Sustainability Report.</li> <li>Annual report to the Board of Directors on the annual results of sustainable development.</li> <li>Other matters directed by the Board resolution to be handled by the Committee.</li> </ol> 3. Implementation Status: Term of office for current committee members: June 6, 2023 to May 30, 2026. The Sustainability Council convened two meetings in the most recent year (A). The attendance of the committee members is as follows: <table border="1" data-bbox="259 1235 2033 1399"> <thead> <tr> <th>Title of Member</th> <th>Name of Member</th> <th>Attendance in Person (B)</th> <th>Attendance by Proxy</th> <th>Actual Attendance Rate (%) (B/A) (Notes 1 and 2)</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>Independent Director(Chairman of the Committee)</td> <td>Tu, Tzu-Chun</td> <td>2</td> <td>0</td> <td>100.00</td> <td rowspan="3">Reappointed in alignment with the expiration of the Board's term, reappointed on June 6, 2023.</td> </tr> <tr> <td>Director and General Manager(Vice Chairman of the Committee)</td> <td>Wu, Pei-Chi</td> <td>2</td> <td>0</td> <td>100.00</td> </tr> <tr> <td>Chairman</td> <td>Quintin Wu</td> <td>2</td> <td>0</td> <td>100.00</td> </tr> <tr> <td>Independent Director</td> <td>Hai, Ying-Chun</td> <td>2</td> <td>0</td> <td>100.00</td> <td></td> </tr> <tr> <td>Independent Director</td> <td>Chen, Sheng-Te</td> <td>2</td> <td>0</td> <td>100.00</td> <td>Note 3</td> </tr> </tbody> </table>					Title	Name	Expertise	Chairman of the Committee	Tu, Tzu-Chun, Independent Director	Operational judgment, accounting and finance, business management, crisis management, industry knowledge, leadership, decision-making, environmental protection	Vice Chairman of the Committee	Wu, Pei-Chi, Director and General Manager	Operational judgment, business management, crisis management, industry knowledge, international markets, leadership, decision-making	Committee Member	Quintin Wu, Chairman	Operational judgment, accounting and finance, business management, crisis management, industry knowledge, international markets, leadership, decision-making	Committee Member	Hai, Ying-Chun, Independent Director	Operational judgment, accounting and finance, business management, crisis management, leadership, decision-making, environmental protection	Committee Member	Chen, Sheng-Te, Independent Director	Operational judgment, accounting and finance, business management, crisis management, leadership, decision-making	Title of Member	Name of Member	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Notes 1 and 2)	Remark	Independent Director(Chairman of the Committee)	Tu, Tzu-Chun	2	0	100.00	Reappointed in alignment with the expiration of the Board's term, reappointed on June 6, 2023.	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<p>Note:</p> <p>(1) If any member resigned before the end of the year, the resignation date shall be indicated in the Remarks column. The actual attendance rate (%) shall be calculated based on the number of Sustainability Council meetings held during their term and their actual attendance.</p> <p>(2) If any member was replaced before the end of the year, both the outgoing and incoming members shall be listed, with the Remarks column indicating whether the member is outgoing, incoming, or reappointed, as well as the date of replacement. The actual attendance rate (%) shall be calculated based on the number of Sustainability Council meetings held during their term and their actual attendance.</p> <p>(3) Newly appointed in alignment with the expiration of the Board's term, appointed on August 3, 2023.</p> <p>Meeting operations are summarized as follows:</p> <p><b>The 1st meeting in 2024</b></p> <p>(1) Date of Meeting: March 8, 2024</p> <p>(2) Committee members present: Tu, Tzu-Chun, Wu, Pei-Chi, Quintin Wu, Hai, Ying-Chun, Chen, Sheng-Te.</p> <p>(3) Report on the Company's sustainable development performance and future promotion goals in 2023.</p> <p>(4) Report on the identity of stakeholders, issues of concern, communication channels and response methods in 2023.</p> <p>(5) Report on the implementation progress and planning of the 2023 Sustainability Report.</p> <p>(6) The Company's greenhouse gas inventory and verification performance report.</p> <p><b>The 2nd meeting in 2024</b></p> <p>(1) Date of Meeting: August 8, 2024</p> <p>(2) Committee members present: Tu, Tzu-Chun, Wu, Pei-Chi, Quintin Wu, Hai, Ying-Chun, Chen, Sheng-Te.</p> <p>(3) Report on the implementation of the Company's sustainable development plan for the first half of 2024.</p> <p>(4) The Company's 2023 Carbon Reduction and Water Conservation Project Execution Report</p> <p>(5) Report on the Company's greenhouse gas inventory performance.</p> <p>(6) Discussion on the preparation of the 2023 Sustainability Report.</p> <p><b>The 1st meeting in 2025</b></p> <p>(1) Date of Meeting: March 10, 2025</p> <p>(2) Committee members present: Tu, Tzu-Chun, Wu, Pei-Chi, Quintin Wu, Hai, Ying-Chun, Chen, Sheng-Te.</p> <p>(3) Stakeholder agreement results, including stakeholder identity, issues of concern, communication channels and response methods in 2024.</p> <p>(4) 2024 Sustainability Implementation Results and 2025 Work Plan Report.</p> <p>(5) Report on the implementation progress and planning of the 2024 Sustainability Report.</p> <p>(6) The Company's greenhouse gas inventory and verification performance report.</p> <p>(7) Report on the Company's implementation plan and scheduled timeline for adopting the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards.</p> <p>(II) Implementation of Environmental Protection and Occupational Safety and Health:</p> <p>1. Environmental Protection Policies:</p> <p>(1) Comply with relevant environmental protection and occupational safety and health regulations, as well as relevant requirements derived from such regulations.</p> <p>(2) Continue to conserve and reuse resources and energy, as well as reducing industrial waste.</p> <p>(3) Prevent pollution, reduce potential risks in operations.</p> <p>(4) Continue to provide employees with education and training, implement measures related to environmental protection and occupational safety and health.</p> <p>(5) Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health.</p> <p>(6) To thoroughly implement environmental management system to enhance environmental performance and reduce environmental safety risks in communities.</p> <p>2. The Company has been a member of the Taiwan Responsible Care Association since 1998. The Company applies the "Responsible Care Management Practices" established by TRCA to its entire plant, and reports its safety, health and environmental protection performance indicators every year.</p> <p>3. The Company continues to implement industrial waste reduction, improve workplace safety, and enhance environmental protection and occupational safety and health training for employees.</p> <p>4. The Company determines the characteristic of waste in accordance with the "Standards for Defining Hazardous Industrial Waste" and details such information in the "Waste Cleanup Plan" before submitting the plan to the competent authority. In addition, the waste shall be classified and stored according to the characteristics of its main components in accordance with the Standards for Methods and Facilities for Storage, Removal and Treatment of Business Wastes, and shall be labeled in the storage location, containers, and facilities. Waste removal and treatment operations are entrusted with qualified permits to remove the disposal of institutions, and in accordance with the Waste Disposal Act.</p>				

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<p>5. Since 2019, the Company's Renwu Plant has actively promoted a green procurement program. The amount declared to the Ministry of Environment's Net Zero Green Living Information Platform for green procurement in 2023 was NT\$12.16 million, and the amount for 2024 is NT\$33.81 million.</p> <p>6. The Environmental Development Department of TVCM (a subsidiary of our company) established Global Green Technology Corporation (GGTC) in 2022. GGTC is a wholly owned subsidiary of TVCM. GGTC adopts a self-developed integrated remediation process combining physical, chemical, and biological technologies. Remediation achievements (site delisted):</p> <p>(1) In 2021, the first Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from the Environmental Protection Administration (EPA) of the Executive Yuan: The EPA recognizes the performance of subsidiary TVCM's Environmental Development Department-The Company's subsidiary CGPC's Toufen Plant remediation site was listed.</p> <p>(2) In 2022, the second Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from Kaohsiung Environmental Protection Bureau: The Kaohsiung City Environmental Protection Bureau recognizes the performance of subsidiary TVCM's Environmental Development Department in the delisted control site of CPDC's Cianjhen Plant.</p> <p>(3) Newly developed oil-degrading bacteria in 2022: After the soil of oil-polluted sites were domesticated in laboratories, bacteria with degradative functions were screened out; and following fermentation and cultivation, toluene and naphthalene degradation genes were detected, which showed the ability to degrade benzene and toluene. In addition, the properties of diesel oil can be used for on-site renovation.</p> <p>(4) In 2023, Ocean Plastics's Luzhu plant was officially certified to have been de-listed, which was also the first remediation completion achievement for GGTC.</p> <p>The results of the above remediation cases have been recognized by experts and scholars from Society of Environmental Engineers (SEE) and the Environmental Protection Professionals Association and awarded with Outstanding and Outstanding Paper Awards; the Environmental Analysis Laboratory has also obtained the Waters ERA Laboratory Proficiency Certification in the U.S.A. to demonstrate the quality of testing; the drilling rig team has passed the examination to obtain the Well Drilling Technician License of the Ministry of Economic Affairs' Department of Water Resources; and the application of Bio-crystalline Spheres is being developed and submitted to the patent application process.</p> <p>7. Director Hua-I Chien from GGTC, a subsidiary of the Company, won the Outstanding Planning Manager Award for 2020 conferred by Taiwan Association for Soil and Underground Environment Protection.</p> <p>8. GGTC was awarded the "Soil and Groundwater Symposium - Best Paper Award" from the Chinese Institute of Environmental Engineering - 33rd Annual Conference and from various other specialized academic seminars.</p> <p>9. In 2023, the excellent performance of groundwater remediation at the Toufen plant of TVCM, a subsidiary of the Company, was recognized by the Environmental Protection Agency of the Ministry of the Environment (MOE), and the Company was selected as the "Excellent Unit of Green Sustainable Remediation".</p> <p>(III) Implementation of Energy Conservation and Carbon Reduction:</p> <p>1. Energy Conservation and Carbon Reduction Policies:</p> <p>(1) To achieve energy conservation and carbon reduction regulations set by the government, as well as actively promote and develop energy conservation and carbon reduction projects</p> <p>(2) To demonstrate the Company's commitment towards energy conservation and carbon reduction, and rewards the incorporation of energy conservation and carbon reduction cases in order to propose improvements to the system</p> <p>(3) To promote energy conservation and carbon reduction plans at departmental level and carry out energy conservation and carbon reduction education and promotional work.</p> <p>(4) To implement energy conservation and carbon reduction-related individual job details and continuously provide employees with education and training in order to implement energy conservation and carbon reduction</p> <p>2. Outcomes of Energy Conservation and Carbon Reduction:</p> <p>(1) The carbon dioxide emissions of the Company and its subsidiaries in 2024 and 2023 are 677,335 tons and 656,430 tons respectively, resulting in a reduction of 35,449 tons and 28,044 tons of carbon dioxide emissions respectively. The Company's carbon emissions (Scope 1 + Scope 2) decreased from 142,670 metric tons in 2023 to 138,260 metric tons, representing a 3.1% reduction.</p> <p>(2) Following the Group's carbon reduction targets, the Company has developed a decarbonization roadmap. In 2024, greenhouse gas emissions were reduced by 20.3% compared to the base year (2017), with an annual target achievement rate of 103%.</p> <p>(3) The electricity savings rate reached 1.88%, with six energy-saving and carbon reduction initiatives implemented, resulting in a total carbon reduction of 2,990 metric tons CO<sub>2</sub>e. The total investment amounted to NT\$8.183 million. From 2015 to 2024, the Company achieved an average annual electricity savings rate of 1.45%, surpassing the 1% minimum average annual target set by the Bureau of Energy, Ministry of Economic Affairs, for energy users during the same period.</p> <p>(4) The Company completed the 2023 greenhouse gas inventory and verification for the parent company ahead of the statutory deadline of 2024 and will continue to conduct annual inventory and verification.</p> <p>(5) On February 3, 2025, the Company obtained the ISO 14067:2018 Carbon Footprint Verification Statement (valid from 2/3/2025 to 2/2/2027).</p> <p>(6) On March 17, 2022, the Company obtained the ISO 46001:2019 Water Resource Efficiency Management System certificate.</p> <p>(7) On August 13, 2024, the Company obtained the ISO 140641:2018 Greenhouse Gas Inspection Declaration 2021 Greenhouse Gas Emission Information.</p> <p>(8) On November 1, 2022, the Company obtained the ISO 50001:2018 Energy Management System Certificate (valid from 2022/11/17 to 2025/11/11).</p> <p>3. Energy saving and carbon reduction plan:</p> <p>In accordance with the Group's policies and regulations, the Company has determined to save 1% electricity per year from 2020 to 2025, set 2017 as the base year for carbon reduction path, and aim to reduce 27% carbon emissions in 2020 compared with the base year, and achieve carbon neutrality in 2050 and carry out dynamic review in line with national policies and regulations. Key tasks are as follows:</p> <p>(1) Ice water machine motor renewal, refrigerator replacement, air compressor replacement, motor replacement to IE3 high efficiency motor, box air conditioner replacement, street lamp replacement to LED lamps and cooling water pump replacement.</p>				



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<p>(2) Operating pressure adjustment and parking power reduction according to process requirements.</p> <p>(3) Targets for 2025:</p> <p>(4) Annual electricity savings rate: 1.51%.</p> <p>(5) Implementation of four planned projects, with an estimated carbon reduction of 610 metric tons CO<sub>2</sub>e.</p> <p>(6) Greenhouse gas emissions: 144,900 metric tons CO<sub>2</sub>e.</p> <p>(IV) Implementation of Social Services and Public Welfare:</p> <p>1. Special Renda Class for the Petrochemical Industry in Kaohsiung  Special Renda Class for the Petrochemical Industry in Kaohsiung Thirteen companies at Renda Industrial Park (including Formosa Renwu Plant, Changchun, and Dashe Industrial Park Manufacturers' Association) and the Company's Renwu Plant jointly established an industry-academia collaboration project with Renwu Senior High School from August 2024 to July 2029 to provide students of Renwu Senior High School with scholarships. We provide ten students, in each of the three grades, totaling 90 students over five years, with a total of NT\$1.08 million in scholarships and subsidies of NT\$330,000 as hourly rates for professional courses for three years. On the one hand, cultivate the grassroots talents needed in the future and improve the quality of manpower; On the other hand, schools can activate teaching by introducing enterprise resources, strengthen the competitive advantage of local schools, and attract excellent students. It is hoped that through this tripartite cooperation mode, students can develop appropriately in learning, pursue excellence, and guarantee future employment. Enterprises can integrate into the local development of good neighborly relations, recruit high-quality manpower; Thus, it can promote local prosperity, shorten the gap between urban and rural areas, activate regional economy, reduce the phenomenon of population emigration, and create a win-win situation for enterprises, schools and local governments.</p> <p>2. Donation to USI Education Foundation  USI Group adheres to the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society". USI Education Foundation was established on December 30, 2011 with the joint donation of Asia Polymer Corporation was officially put into operation in 2012, with the purpose of engaging in educational public welfare undertakings and focusing on the disadvantaged, rural and environmental care. Conduct the following business in accordance with the relevant laws:</p> <p>(1) Sponsor education in rural areas</p> <p>(2) Establish scholarships</p> <p>(3) Hold talks, seminars or other education-related charitable activities</p> <p>(4) Sponsor schools at various levels or educational groups to engage in activities such as literature, sports, music, dance, arts and drama.</p> <p>(5) Conduct industry-academia collaboration.</p> <p>(6) Other education-related charitable services that are consistent with the objectives of the foundation.</p> <p>In 2024, USI donated NT\$3 million to the USI Education Foundation . Through the foundation, approximately NT\$9.72 million was contributed to various public welfare initiatives, including NT\$3.25 million in scholarships and grants; NT\$1 million to the Alliance Cultural Foundation; and NT\$4 million to Taitung Junyi Experimental High School. Additional public welfare sponsorships totaled approximately NT\$1.47 million. :</p> <p>(1) Excellence Scholarship: Awarded NT\$3 million worth of scholarships, Awarded to 30 students from 18 departments in 11 public and private universities, including 3 PhD students, 12 Master's degree students and 15 Bachelor's degree students, where 20 of them came from poor families. In the 13 years since the foundation was established, a total of NT\$23 million has been awarded in scholarships to a total of 330 students.</p> <p>(2) Artificial Intelligence Scholarships: In order to encourage domestic outstanding graduate students to participate in the research and development and application of various artificial intelligence (AI) fields, to reduce the gap between production and education, and to cultivate chemical industry talents with AI expertise. Starting from 2022 for a five-year trial period, the grant will be NT\$50,000 per semester, subject to regular review for a maximum of four consecutive semesters, and a total of 5 students have been awarded.</p> <p>(3) The Alliance Cultural Foundation: Invest more resources in the development of culture and art by sponsoring the Alliance Cultural Foundation of NT\$1 million. To further support education in remote areas and promote sustainable development in eastern Taiwan, the Alliance Cultural Foundation and Taitung Junyi Experimental High School have been the foundation's long-term sponsored partners. This year marks the 15th anniversary of the ACF. As its development in eastern Taiwan enters the integration phase, the foundation has laid out the "Hualien-Taitung Sustainable Blueprint", focusing on three key pillars: cultivating local talent for sustainable development, transforming Junyi School into a hub for educational reform, and leveraging the Paul Chiang Art Center to elevate Hualien and Taitung to international prominence.</p> <p>(4) A contribution of NT\$4 million was made to support Junyi Experimental High School, aiming to foster future talent and promote indigenous cultural work. To implement international education and cultivate global talent, Junyi School launched the "Innovative Study Abroad Education Program" in 2017. Currently, its students are studying in 15 countries. The school's diverse faculty and student backgrounds and its various learning approaches have expanded students' inclusiveness, equipping them to engage with people from different cultural backgrounds.</p> <p>(5) Supporting the 365 Music Program for Good Farming, we have collaborated with Toufen Junior High School in Miaoli County, using professional choir teachers cultivated by the 365 Foundation for Good Farming, and collaborating with Toufen Junior High School music teachers to teach the Hamini Choir composed of 7th and 8th grade students. There were nearly 30 students in the group. In addition to regular club time, they also practiced after class. Hope to accompany students in their growth through the art of singing, and by participating in annual music festivals and performing on stage, stimulate learning motivation and build confidence.</p> <p>(6) Other donation recipients include the Boyo Social Welfare Foundation, Teach For Taiwan, and various public healthcare and education initiatives.</p>				

Items affected	Implementation (Note 1)			Discrepancies from "the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>3. Since 2020, the Taiwan delegation has continued to sponsor the Internal Medicine Blood Donation Campaign, which is held in February and August every year, so that the love of internal medicine can be spread to all of Taiwan.</p> <p>4. Since 2018, TAG has continued to sponsor the Kaohsiung City Empty Goods Cleanup Area Management Program.</p> <p>5. Responded to "Earth Hour" to turn off the lights.</p> <p>6. Donate epidemic prevention supplies to neighborhoods and schools.</p> <p>7. The Company continues to promote the "Afforestation Adoption Project" in cooperation with the Experimental Forest Management Office of National Taiwan University. Over five years, a total donation of NT\$9 million was allocated for afforestation, covering the adoption of 7,500 trees across approximately 5 hectares, with a donation period of 20 years and an estimated carbon sequestration of 1,350 metric tons CO<sub>2</sub>e—equivalent to about 3.5 Daan Forest Parks.</p> <p>8. Since 2017, 500 meters of the beach of Longfeng Fishing Port in Zhunan Township has been adopted. In September 2024, the 8th (after the adoption) beach cleaning activity was held. This time, 208 people were mobilized to remove a total of 974.2 kilograms of waste. Since 2017, the Company has participated in beach cleanup activities with 1,226 total participants and collected 4,187.6 kg of waste. In the same year, the Company's subsidiary CGPC's Toufen Plant participated in the government-led "Autumn Joint Beach Cleanup" campaign and received a certificate of appreciation.</p> <p>9. On December 3, 2024, the Company's subsidiary CGPC's Toufen Plant organized a blood donation drive under the ESG sustainability and social responsibility initiative. Employees from CGPC, TTC's Toufen Plant, and contractors participated in the event titled "Sustaining Your Love". A total of 38 people donated 59 bags of blood (250 c.c. each), totaling 14,750 c.c.</p> <p>(V) Certificates and Awards for Promoting Sustainable Development:</p> <ol style="list-style-type: none"> <li>1. Top 6%-20% of listed companies in the 11th Corporate Governance Evaluation in 2024.</li> <li>2. Received a "B Management Level" rating from CDP for both "Climate Change" and "Water Security" assessments.</li> <li>3. Won the "Taiwan Top 100 Sustainable Enterprises Award" and the "Taiwan Enterprise Sustainability Report Platinum Award" at the 17th TCSA Taiwan Sustainability Award in 2024.</li> <li>4. Recognized by the Occupational Safety and Health Administration of the Ministry of Labor as an outstanding enterprise in the 2024 Corporate Sustainability Report Disclosure for proactive performance in occupational health and safety indicators.</li> <li>5. Received the Green Procurement Excellence Award from Kaohsiung City.</li> <li>6. Awarded the Excellence Prize in the 2023 Air Quality Purification Zone Outstanding Adoption Units by the Ministry of Environment.</li> <li>7. Certified as an excellent importer and exporter for the year 2023.</li> <li>8. Awarded the 2022 Annual i sports Enterprise Certification.</li> <li>9. Awarded the Excellence Award at the 3rd Net-Zero Industry Competitiveness Awards.</li> </ol> <p>(VI) Green Energy Layout: Solar energy capacity reached 8.6 MW in 2024 and is expected to reach 20 MW in 2027. The site of Geothermal is located in Taitung and is undergoing later exploration. Offshore wind power: The Company formed Chemical Union Corporation with the petrochemical industry and negotiated with wind power developers for the purchase of electricity.</p>	

Note 1. If "Yes" is selected in the operating status, please explain the important policies, strategies, and measures adopted, and the implementation status; if "No" is selected in the operating status, please explain the differences and reasons in the field of "Circumstances and Reasons for differences from the Code of Practice on Sustainable Development of Listed Companies", please specify the reason and explain related future policies and plans for strategies and measures.

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

Note 3. For disclosure methods, please refer to the Best Practices Reference on the TWSE Corporate Governance Center website.



## Appendix 2-2-3

## Climate-related information of listed and over-the-counter companies

## 1. The risks and opportunities posed by climate change to the Company and the relevant measures taken by the Company to cope with them

Item	Status of Implementation																																								
1. Description of the Board of Directors' and management's oversight and governance of climate-related risks and opportunity.	<p>The Board of Directors oversees the Company's climate change management initiatives. The Sustainability Council is the Company's highest-governing body for climate management. It is chaired by an Independent Director and assesses matters of climate change strategies and targets, climate change risk management, opportunity initiatives, and current implementation statuses, and reports to the Board of Directors every year.</p> <p>In response to the global emphasis on environmental (E), social (S), and governance (G) issues, the Company follows the "Sustainability Development Roadmap for TWSE/TPEX Listed Companies" issued by the Financial Supervisory Commission to progressively disclose greenhouse gas inventory and assurance information, and to build internal GHG inventory capabilities. The Company has completed GHG inventory and assurance for both parent and subsidiaries under the consolidated financial statements. Each year, specific measures are reported and reviewed, with directors providing recommendations.</p> <p>In addition to continuously enhancing corporate governance effectiveness, the Company is prudently planning and implementing measures to achieve carbon reduction targets and develop green power strategies. The use of AI technologies improves management efficiency, helping reduce corporate risks and issues, aiming to meet international standards and realize long-term corporate sustainability goals.</p>																																								
2. Describe how the identified climate risk and opportunities affect the business, strategy and finances of the Company (short, medium and long term).	<p>In 2023, a questionnaire survey was conducted among the ESG Committee and senior unit executives to assess the relevance of each risk to the Company's operations and the timing of its possible impact, as well as the development and implementability of each opportunity. 14 questionnaires were returned, which were statistically analyzed by the team to identify 12 significant climate issues (1 physical risk item, 5 transformation risk items, and 6 opportunity items). The climate-related risk and opportunity survey is conducted every three years.</p> <p>The Company assessed the potential financial impacts of the 12 significant risks and opportunities and formulated a response strategy and management mechanism to understand the possible impacts of climate change in various aspects, reduce the possible operational impacts of extreme weather and establish a resilient climate change culture.</p> <p>Climate-related risk items are categorized into three time horizons based on the expected time of impact: short-term (&lt; 3 years), medium-term (3–5 years), and long-term (&gt; 5 years). Climate-related opportunities are categorized into five levels based on their potential impact on company development and technical feasibility, as detailed in the following table:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Item</th> <th>Time Horizon</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Physical Risks</td> <td>aridity</td> <td>Short Term (&lt; 3 years)</td> </tr> <tr> <td>Government regulation or oversight – levy of water consumption charges</td> <td>Short Term (&lt; 3 years)</td> </tr> <tr> <td rowspan="4">Transformation Risks</td> <td>carbon fee</td> <td>Short Term (&lt; 3 years)</td> </tr> <tr> <td>Renewable Energy Regulations – Large Consumers Clause Risks</td> <td>Short Term (&lt; 3 years)</td> </tr> <tr> <td>Low Carbon Technology Transition</td> <td>Short Term (&lt; 3 years)</td> </tr> <tr> <td>Rising Raw Material Prices</td> <td>Short Term (&lt; 3 years)</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Type</th> <th>Item</th> <th>Development Potential</th> <th>Technical Feasibility</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Opportunities</td> <td>Highly efficient production</td> <td>Promising and aligned with existing company policy</td> <td>Under expansion</td> </tr> <tr> <td>Recycling – Circular Economy</td> <td>Promising and aligned with existing company policy</td> <td>Under expansion</td> </tr> <tr> <td>Reduction of water use and water consumption</td> <td>Promising and aligned with existing company policy</td> <td>Mature</td> </tr> <tr> <td>Use of low-carbon energy</td> <td>Promising and aligned with existing company policy</td> <td>Mature</td> </tr> <tr> <td>Developing Low Carbon Goods and Services – Investing in Renewable Energy Markets</td> <td>Promising and aligned with existing company policy</td> <td>Under expansion</td> </tr> <tr> <td>Development of new products and R&amp;D and innovation of services – Research and Development of Low Carbon Energy Saving Products</td> <td>Promising and aligned with existing company policy</td> <td>Under expansion</td> </tr> </tbody> </table>	Type	Item	Time Horizon	Physical Risks	aridity	Short Term (< 3 years)	Government regulation or oversight – levy of water consumption charges	Short Term (< 3 years)	Transformation Risks	carbon fee	Short Term (< 3 years)	Renewable Energy Regulations – Large Consumers Clause Risks	Short Term (< 3 years)	Low Carbon Technology Transition	Short Term (< 3 years)	Rising Raw Material Prices	Short Term (< 3 years)	Type	Item	Development Potential	Technical Feasibility	Opportunities	Highly efficient production	Promising and aligned with existing company policy	Under expansion	Recycling – Circular Economy	Promising and aligned with existing company policy	Under expansion	Reduction of water use and water consumption	Promising and aligned with existing company policy	Mature	Use of low-carbon energy	Promising and aligned with existing company policy	Mature	Developing Low Carbon Goods and Services – Investing in Renewable Energy Markets	Promising and aligned with existing company policy	Under expansion	Development of new products and R&D and innovation of services – Research and Development of Low Carbon Energy Saving Products	Promising and aligned with existing company policy	Under expansion
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Potential financial impact of risks and Response measures				
Climate change issue	Type	Risks and opportunities item	Potential financial impact	Strategy and response of the Company
Aridity	Physical risk/chronic	<p>1. Based on the base period of 1986-2005, it is estimated that the recent climate conditions of the USI Kaohsiung Plant (2016-2035) will have a maximum number of consecutive days without rainfall of 58 days per year, which may lead to water shortage or drought.</p> <p>2. In response to the abnormal climate, the plant will limit water or lack of water, and the production line will be reduced or completely shut down in serious cases.</p>	<p><b>Increased cost of operations</b> In case of water deficiency, the Company will buy water trucks. If the situation is severe, the Company will reduce production line output or suspend all productions. The water purchasing cost is expected to rise by NT\$0.1 million every day. If it is necessary to stop a single production line, the loss will reach some NT\$2.50 million per day, and given a comprehensive business suspension, the loss will exceed NT\$10 million per day.</p>	The Company has established an AI water monitoring system since 2020 to keep an eye on water supply. In addition to stopping non-essential water use, strengthening inspection of pipelines and switches, and reducing cooling water discharge, there are also fire tanks to store water buffer, water trucks to buy water, and actively implement various water improvement programs to reduce the total water withdrawal year by year.
Government regulation or oversight - levy of water consumption charges	Transformation Risk/Policy and Law	The Water Resources Administration of the Ministry of Economic Affairs promulgated the "Measures on Water Consumption Charge" in January 2023 which came into effect on February 1, 2023. A "water consumption charge" of NT\$3 per kilowatt-hour will be levied on heavy water users whose monthly water consumption exceeds 9,000 kilowatt-hour during the dry season (January to April, November to December). However, if the recovery rate meets the announced standard, the rate can be reduced to NT\$2 or NT\$1.	<p><b>Increased cost of operations</b> Based on the actual water consumption of the Company from November 2023 to April 2024, the Company paid a water consumption fee of NT\$540,000 in 2023.</p>	<p>1. Promote ISO 46001 water efficiency management systems</p> <p>2. Improve the wastewater recycling system and strengthen the operation management to increase the amount of recycled water</p>
carbon fee	Transformation Risk/Policy and Law	In December 2023, the Ministry of Environment issued the "draft carbon fee charging Method", which is expected to introduce a carbon fee in 2025 for large carbon emitters whose annual emissions exceed 25,000 tons.	<p><b>The early input cost is high, the later carbon emissions are low, and the operating cost is reduced</b> Based on the Company's estimated carbon emissions for 2024, assuming a carbon fee of NT\$300 per tonne, the estimated carbon fee would amount to approximately NT\$33.52 million.</p>	<p>1. The Company evaluates the introduction of internal carbon pricing and the use of shadow pricing to incorporate carbon costs into investment appraisals to enhance the execution opportunities of carbon reduction projects.</p> <p>2. Set up an energy management system and analyse the figures for room for improvement.</p> <p>3. Rooftop solar panel systems for self-consumption are being installed and are scheduled for completion in 2026.</p>
Renewable Energy Regulations - Large Consumers Clause Risks	Transformation Risk/Policy and Law	The Ministry of Economic Affairs (MOEA) implemented the "Regulations on the Installation of Renewable Energy Power Generation Facilities for Electricity Consumers with Contracted Capacities Above a Certain Level" in 2021, which requires that large-scale users with contracted capacity of 5,000 kW or more must install renewable energy facilities with a contracted capacity of 10% of the total contracted capacity by 2025.	<p><b>Increased cost of operations</b> The Company owns 100% of the shares of USI Green Energy Corporation with a capital of NT\$366 million. USI Green Energy Corporation will continue to develop the plant with a target of completing the installation of a 20MW plant in 2027, and will continue to develop the plant in the future.</p>	The Company established USI Green Energy Corporation to actively find an appropriate site and implement the green power development plan. In 2024, the accumulated capacity of solar photovoltaic installations reached 8.6 MW, with an annual power generation capacity of 10.73 million kWh.
Low Carbon Technology	Transformation Risks/Energy,	Investing in the development of low-carbon technologies such as energy transformation,	<b>Higher capital expenditure and lower operating costs</b>	The Company continues to plan energy-saving and carbon-reduction measures, including



	Transition	Technology	efficiency enhancement and fuel substitution for the purpose of carbon reduction has led to an increase in the cost of technology investment by enterprises	In 2024, the Company implemented a total of six energy-saving and carbon-reduction projects, with a total investment of NT\$8.18 million, achieving electricity savings of 4,650,858 kWh and a reduction of 333,379 cubic meters of LNG consumption. The quantified benefit amounts to NT\$21.44 million per year.	equipment upgrades and improvements in energy efficiency.
	Rising Raw Material Prices	Transformation Risks/Markets	In the future, under the consideration of carbon tax, the cost of raw materials will be added to the cost of carbon emission, and the price will increase.	<b>Increased cost of operations</b> Ethylene is the major raw material for the Company's products. To diversify import sources of ethylene, USI invested nearly NT\$8 billion and NT\$906 million in Gulei and the ethylene storage tank project of the Kaohsiung Intercontinental Dock, respectively.	<ol style="list-style-type: none"> <li>1. The Company will accelerate the schedule for AI introduction, improve the efficiency and reduce the loss from specification change of raw materials.</li> <li>2. Carried out chiller system renewal and related improvement projects to enhance the recovery rate of the original vinyl acetate condenser and increase the recovery rate of raw materials.</li> <li>3. ISCC certification for bio-ethylene was introduced.</li> <li>4. The 2024 feedstock recovery rate of 14.64 % was about NT\$75.7 million.</li> </ol>
	Highly efficient production	Opportunity/Resource efficiency	Enhance overall production efficiency and reduce energy consumption through production tools such as AI intelligent production, industrial motors, and automatic packaging.	<b>Higher capital expenditure and lower operating costs</b> In recent years, total investment in various AI projects has amounted to approximately NT\$30 million.	Implementation of various efficiency improvement and AI projects includes: Construction of the DCS + field data system, real-time vibration condition monitoring and development for high-pressure reactors, AI-based quality prediction, black smoke detection system, digital graphic and text management system, white smoke and open flame recognition system, and an energy dashboard system, totaling six initiatives.
	Recycling - Circular Economy	Opportunity/Resource efficiency	Based on the three principles of circular economy (3Rs): Reduce, Reuse and Recycle. Reduce the cost of waste disposal, or the amount of raw materials used.	<b>Higher capital expenditure and lower operating expenditure</b> The cost of wax recovery equipment was NT\$776,574. In 2024, the wax recovery generated a profit of NT\$40,000.	<ol style="list-style-type: none"> <li>1. Wax processing for reuse.</li> <li>2. Our company cooperates with the team of University of Taiwan and National Taiwan University of Science and Technology to carry out the industry-academia co-operation project of virtual-reality integration technology development, applying AI technology to carry out quality prediction, reduce the generation of second-grade materials, and enhance the utilization rate of raw materials.</li> </ol>
	Reduction of water use and water consumption	Opportunity/Resource efficiency	Water is an irreplaceable resource in the manufacturing process. Reducing plant water leakage and increasing the proportion of water recycling will save operating costs and enhance the resilience of the plant.	<b>Higher capital expenditure and lower operating expenditure</b> <ol style="list-style-type: none"> <li>1. Invested about NT\$16 million in a continuous wastewater monitoring system.</li> <li>2. Invested about NT\$1.2 million in detention ponds and tank area rainwater recycling system.</li> </ol>	<ol style="list-style-type: none"> <li>1. Investments in wastewater treatment systems, MRT condensate reclamation improvements and stormwater reclamation systems in retention ponds.</li> <li>2. Improvements in process equipment and operation have resulted in vapour reduction.</li> <li>3. Continuously develop reduction plans for water consumption</li> </ol>

				<p>3. Invested NT\$1.6 million in process improvement for steam condensate recovery with an annual recovery rate of 17,500 tonnes.</p> <p>4. Improvement of process operations in 2024 will result in steam reduction and water savings of 61,980 tonnes/year, saving approximately NT\$743,760.</p> <p>5. With 29,565 metric tonnes of water recovered in 2024, the savings would be NT\$350,000 based on a NT\$12/kWh tap water rate.</p>	
	Use of low-carbon energy	Opportunity/Resilience, energy source	Promote coal-to-gas conversion and increase the use of renewable energy to reduce carbon costs and lower the carbon footprint of products.	<p><b>Higher Operating Costs and lower Carbon Fees</b> Project Inputs Carbon Reduction, Costs, Benefits. In 2024, investments in equipment and projects totaled NT\$8.183 million, resulting in a carbon reduction of 2,990 metric tons. Based on a carbon fee of NT\$300 per ton, this equates to a cost reduction of approximately NT\$900,000.</p>	<ol style="list-style-type: none"> <li>1. Developing self-built solar farms.</li> <li>2. Natural gas is preferred as the source of steam supply.</li> <li>3. To be aware of and participate in the renewable electricity market.</li> </ol>
	Developing Low Carbon Goods and Services - Investing in Renewable Energy Markets	Opportunities/Products and Services, Resilience	Invest in renewable energy development and power purchase and sale platforms, and lower the threshold for acquiring green power.	<p><b>Higher capital expenditures and higher revenues</b></p> <ol style="list-style-type: none"> <li>1. The Company holds 100% of the shares of USI Green Energy Corporation, which has a capital of NT\$366 million.</li> <li>2. The Company owns 33.3% of the shares of Chemical Union Corporation, which has a capital of NT\$30 million.</li> <li>3. The 2024 renewable energy installations amounted to approximately NT\$59.2 million, with renewable energy electricity sales generating around NT\$45.16 million in revenue.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Company established USI Green Energy Corporation to actively find an appropriate site and implement the green power development plan. : Photovoltaic: Cumulative installed capacity reached 8.6 MW in 2024, with an annual generation capacity of 10.73 million kWh. Geothermal: The site is located in Taitung and is undergoing exploration.</li> <li>2. The Company formed Chemical Union Corporation with the petrochemical industry and negotiated with wind power developers for the purchase of electricity.</li> </ol>
	Development of new products and R&D and innovation of services - Research and Development of Low Carbon Energy Saving Products	Opportunity/Products and services	R&D is geared towards the development of circular economy, low-carbon and energy-saving products, and technological investment is made from the perspective of the complete life cycle of products and services to develop low-carbon products.	<p><b>Higher R&amp;D Expenses and higher revenue</b> The Company's transformation products include the CBC sterilized water bottle, water filter pitcher, and USii liquid insulation film, with estimated short-term revenue of NT\$100 million, and projected to exceed NT\$500 million by 2028.</p>	<p>Development of new products to actively transform and penetrate the B2C market includes:</p> <ol style="list-style-type: none"> <li>1. ISO 14021 certified international recycled products.</li> <li>2. ACIN240 energy-saving thermal insulation soft-shell coating.</li> <li>3. Halogen-free eco-friendly flame retardants.</li> </ol>



3. Describe the financial impact of extreme climate events and transformational action.	<ul style="list-style-type: none"> <li>● <b>Impact of Extreme Weather Events on Financial Performance</b> Following the TCFD recommendation framework, the Company has set future scenarios for physical and transition risks, analyzing potential impacts and opportunities, and incorporating the results into strategic resilience assessments. For physical risks, reference was made to the <i>Taiwan Climate Change Key Indicators Atlas: AR6 Statistical Downscaling Edition</i> published in June 2023 by the Taiwan Climate Change Projection and Information Platform (TCCIP), and the <i>Climate Change Disaster Risk Map of Taiwan</i> by the National Science and Technology Center for Disaster Reduction to estimate future long-term climate changes and potential climate risks. The IPCC AR6 scenario adopts a combination of Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). The Company has selected the SSP5-8.5 scenario (extremely high greenhouse gas emissions, with CO<sub>2</sub> emissions doubling around 2050) to conduct future scenario analysis for climate disasters such as "extreme heat", "flooding", and "drought". Under the RCP 8.5 scenario, by mid-century (2040–2065) and late-century (2075–2099), the number of typhoons affecting Taiwan is projected to decrease by approximately 15% and 55%, respectively; the proportion of severe typhoons is expected to increase by approximately 100% and 50%; maximum wind speeds are expected to increase by approximately 4% and 8%; and typhoon precipitation is expected to increase by approximately 20% and 35%. Although the number of typhoons affecting Taiwan may decrease in the future, the threat from more intense typhoons will increase. The Company must enhance disaster preparedness and improve disaster resilience to reduce losses caused by typhoons.</li> <li>● <b>Impact of Transition Actions on Financial Performance</b> The financial impact of transition actions on the Company primarily arises from adjustments in costs and investments due to regulatory changes, technological shifts, and evolving market demand. New government regulations regarding water usage fees and carbon taxes will directly increase operating costs. For example, water usage fees are expected to increase by approximately NT\$540,000 annually, and carbon taxes—estimated at NT\$300 per ton—will raise annual costs by about NT\$33.52 million. In addition, the Large Electricity Users Regulation mandates increased use of renewable energy and improved energy efficiency, thereby raising capital expenditures for green electricity procurement and equipment upgrades. However, by proactively investing in low-carbon technology transitions, such as improving energy efficiency, equipment replacement, and upgrading wastewater recycling systems, companies may incur higher initial capital expenditures but will benefit from reduced long-term operational costs and risks. Overall, companies undergoing low-carbon transitions should anticipate short-term cost increases; however, actively adopting countermeasures can enhance medium- to long-term competitiveness and sustainability.</li> </ul>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	To uphold the principles of integrity and ensure sound operation and sustainable development while mitigating potential operational risks, the Company's Board of Directors approved the "Risk Management Policy and Procedures" in 2020. This framework enables directors to effectively assess and oversee various existing or potential risks. Functional departments are tasked with conducting timely evaluations and rolling adjustments based on the latest international economic developments, ESG regulations, and the Company's risk and opportunity assessment mechanisms. The General Manager's Office reports the status of risk management operations to the Board of Directors at least once annually, allowing the board to understand existing risks and provide timely strategic advice.
5. If scenario analysis is used to assess the resilience to climate change risks, describe the scenarios, parameter, assumptions, analytical factors, and key financial impacts.	In response to the intensifying global climate change, the Company continues to adopt the TCFD framework to assess risks associated with extreme weather events and identify emerging business opportunities. Based on data from the Taiwan Climate Change Projection and Information Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction, the Company has conducted projections under the RCP 8.5 scenario for the period 2016–2035. These projections include trends in temperature rise, changes in precipitation, flooding, and drought. Three key physical risk issues have been identified accordingly. This assessment aligns with the Group's strategy, industry characteristics, Taiwan's Intended Nationally Determined Contributions (INDC), and TCFD indicators. Physical Risksegorized, based on their nature, into two types: transition risks and physical risks

Type	Item
Physical Risks	aridity
Transformation Risks	Government regulation or oversight - levy of water consumption charges
	carbon fee
	Renewable Energy Regulations - Large Consumers Clause Risks
	Low Carbon Technology Transition
	Rising Raw Material Prices
Opportunities are identified across six dimensions:	
Type	Item
Opportunities	Highly efficient production
	Recycling - Circular Economy
	Reduction of water use and water consumption
	Use of low-carbon energy
	Developing Low Carbon Goods and Services - Investing in Renewable Energy Markets
	Development of new products and R&D and innovation of services - Research and Development of Low Carbon Energy Saving Products
<p>For physical risks, reference was made to the <i>Taiwan Climate Change Key Indicators Atlas: AR6 Statistical Downscaling Edition</i> published in June 2023 by the Taiwan Climate Change Projection and Information Platform (TCCIP), and the <i>Climate Change Disaster Risk Map of Taiwan</i> by the National Science and Technology Center for Disaster Reduction to estimate future long-term climate changes and potential climate risks. The IPCC AR6 scenario adopts a combination of Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). The Company has selected the SSP5-8.5 scenario (extremely high greenhouse gas emissions, with CO<sub>2</sub> emissions doubling around 2050) to conduct future scenario analysis for climate disasters such as "extreme heat", "flooding", and "drought".</p> <p>Transition risks are assessed with reference to the World Energy Outlook (WEO) published by the International Energy Agency (IEA) in 2021. The report outlines three scenarios based on varying energy trends and climate policies: STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net Zero Emissions Scenario). Among these, NZE represents the most ambitious pathway, assuming all countries achieve net-zero emissions by 2050, and entails the most rigorous mitigation measures. In addition, the Company also references the "Taiwan 2050 Net-Zero Emissions Roadmap and Strategy Overview", released by the National Development Council in 2022. This alignment with national carbon reduction pathways ensures the Company maintains operational resilience amid the escalating impacts of climate change.</p> <p>Through the implementation of energy-saving and carbon-reduction initiatives, the Company strives to minimize its environmental impact by reducing energy and water consumption as well as waste generation throughout its operations and supply chain. Efforts include enhancing energy efficiency, investing in green energy infrastructure, and innovating in the development of sustainable products, all aimed at effectively managing both transitional and physical risks while seizing emerging business opportunities and meeting market demands. However, the execution of such initiatives inevitably leads to increased capital expenditure and operational costs, which may affect the Company's financial performance.</p>	
6. If there is a transition plan for managing climate-related risks, describe the plan, as well as the metrics and targets used to identify and manage entity risk and transition risks.	<p>The base year of 2017 is adopted as the benchmark for identifying key indicators and targets related to greenhouse gas emissions, as detailed in Item 9 of this report. The following outlines the Company's indicators and targets for managing physical and transition risks:</p> <p>Under the Group's overall carbon reduction objectives, the Company has established specific energy management targets: using 2017 as the baseline, aiming for a 27% reduction in carbon emissions by 2030, and achieving carbon neutrality by 2050.</p> <p>Climate Response Strategy: Short-term (&lt;3 years): Replace outdated equipment, improve energy efficiency, install solar power systems, implement green procurement practices, formulate measures to address water shortages and drought, and mitigate the impact of carbon fees. Mid-term (3–5 years): Transition towards low-carbon energy sources, establish intelligent monitoring systems, and expand renewable energy deployment and usage. Long-term (&gt;5 years): Continue exploring low-carbon fuels, carbon capture and utilization technologies, and negative emissions solutions.</p> <p>Greenhouse Gas Emissions Disclosure: The Company discloses Scope 1, Scope 2, and Scope 3 greenhouse gas emissions annually in its Sustainability</p>



<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price.</p>	<p>Report and regularly reviews the factors contributing to increases or reductions.</p> <p>On August 29, 2024, the government announced the implementation of three sub-laws related to carbon fees, followed by the publication of the official carbon fee rate on October 21. Starting in 2025, emissions will be formally included in carbon fee calculations, marking the beginning of a carbon-pricing era.</p> <p>To proactively align with governmental policies, address climate change, and mitigate carbon-related risks, the Company introduced an internal carbon pricing mechanism in 2024. The initial internal carbon price was set at NT\$300 per metric ton, based on the domestic carbon fee benchmark, with plans for periodic reviews and phased adjustments. This mechanism aims to integrate carbon costs into corporate decision-making and investment evaluation processes, enabling the Company to assess the operational impact of emissions, accelerate the implementation of reduction measures, and stimulate low-carbon investments.</p> <p>In July 2024, the Company conducted two training sessions to educate relevant departments on the concept and application of internal carbon pricing, supporting swift implementation across all sites. In September, a general training on carbon-related knowledge was held to engage broader participation and raise company-wide awareness and expertise in carbon reduction, fostering collective efforts toward achieving emission reduction targets.</p>												
<p>8. If climate-related targets are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the sources and quantities of carbon reduction credits or renewable energy certificates (RECs) used for offsets should be described.</p>	<p>To enhance resilience in the face of climate risks, the Company set a medium-term target in 2022: a 27% reduction in carbon emissions by 2030 compared to 2017 levels. In 2023, a long-term goal of achieving carbon neutrality by 2050 was established. Furthermore, to assess the Company's capacity to address climate risks, the Task Force on Climate-related Financial Disclosures (TCFD) framework issued by the Financial Stability Board in 2015 was adopted. Based on this framework, the Company evaluated potential risks and opportunities under a high-emission scenario, formulated both mitigation and adaptation strategies, launched a series of carbon reduction actions, and developed short-, medium-, and long-term emissions reduction targets to minimize potential financial impacts and ensure long-term sustainability.</p> <p>Following the Group's carbon reduction roadmap, the Company's greenhouse gas emissions in 2024 have decreased by 20.3% compared to the 2017 baseline. Moving forward, the Company will intensify the implementation of energy-saving and carbon-reduction initiatives, and expand the deployment and utilization of renewable energy. The mid-term strategy will focus on transitioning to low-carbon energy sources, enhancing energy efficiency, and adopting AI-powered intelligent monitoring systems. The long-term strategy will continue to explore low-carbon fuels, carbon capture and utilization technologies, and negative emissions solutions, advancing toward the goal of carbon neutrality and a low-carbon economic transformation.</p> <p>Greenhouse Gas Emissions – Kaohsiung Plant (Scope 1 + Scope 2):</p> <table border="1" data-bbox="465 903 2076 1066"> <thead> <tr> <th colspan="2">2024</th> <th colspan="2">2025</th> </tr> <tr> <th>Target Emissions (10,000 tons CO<sub>2</sub>e)</th> <th>Actual Emissions (10,000 tons CO<sub>2</sub>e)</th> <th>Achievement Rate</th> <th>Target Emissions (10,000 tons CO<sub>2</sub>e)</th> </tr> </thead> <tbody> <tr> <td>14.08</td> <td>13.83</td> <td>102%</td> <td>14.49</td> </tr> </tbody> </table> <p>Achievement Rate = Target Emissions for 2024 / Actual Emissions for 2024</p> <p>Currently, the Company has not applied carbon offsets or Renewable Energy Certificates (RECs). These measures have been included as part of the Company's long-term carbon reduction goals. For the planning schedule of greenhouse gas reduction and annual achievement progress, please refer to Item 9 of this table and Sections 1-2.</p>	2024		2025		Target Emissions (10,000 tons CO <sub>2</sub> e)	Actual Emissions (10,000 tons CO <sub>2</sub> e)	Achievement Rate	Target Emissions (10,000 tons CO <sub>2</sub> e)	14.08	13.83	102%	14.49
2024		2025											
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14.08	13.83	102%	14.49										
<p>9. Inventory and assurance of GHG, along with reduction targets, strategies, and specific action programs (refer to Sections 1-1 <b>and 1-2</b>).</p>	<p>Please refer to the following information.</p>												

## Greenhouse Gas Inventory and Confirmation Status in the Last Two Years

### 1-1-1 Greenhouse Gas Inventory Information

**Describe the GHG emissions in the last two years (metric tons of CO<sub>2</sub>e), intensity (metric tons of CO<sub>2</sub>e per million dollars), and data coverage scope.**

1. The parent company entity shall begin greenhouse gas inventory starting from 2024.

2. Subsidiaries included in the consolidated financial statements shall begin inventory starting from 2025.

The consolidated company has established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1 standard issued by the International Organization for Standardization (ISO 14064-1:2018 — Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals). Starting from 2023, the greenhouse gas emissions of the Company entity and the subsidiaries included in the consolidated financial statements are inventoried annually to fully understand the use and emission status of greenhouse gases and to verify the effectiveness of reduction actions. Additionally, the greenhouse gas inventory data for the past two years have been consolidated based on the operational control approach, including emissions from the Company and all subsidiaries included in the consolidated financial statements, as detailed below:

Year		2023		2024			
		Total Emissions (tons CO <sub>2</sub> e)	Intensity (tons CO <sub>2</sub> e /Million NT\$)	Total Emissions (tons CO <sub>2</sub> e)	Intensity (tons CO <sub>2</sub> e /Million NT\$)		
The Company	Scope 1 [Direct Greenhouse Gas Emissions]	21,012	/	26,022	/		
	Scope 2 [Indirect Greenhouse Gas Emissions]	121,601		112,455			
	Subtotal	142,613		138,477			
All subsidiaries included in the consolidated financial statements	Scope 1 [Direct Greenhouse Gas Emissions]	183,935		171,763			
	Scope 2 [Indirect Greenhouse Gas Emissions]	433,873		419,942			
	Subtotal	617,808		591,705			
Total		760,421		14.55		730,182	14.31

Note: If the carbon emissions of an inventory point account for less than 5% of total emissions and there are no major operational changes, the emission data from the first year (2023) will be used for calculations.

Note 1. Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (Scope 2, i.e., indirect GHG emissions from inputs of electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions from the Company's activities that are not indirect energy emissions and that come from sources owned or controlled by other companies).

Note 2. The scope of information on direct emissions and indirect emissions from energy sources shall be handled in accordance with the timetable set forth in the order stipulated in Article 10 (2) of these Guidelines, while information on other indirect emissions may be disclosed on a voluntary basis.

Note 3. Greenhouse gas inventory standard: Greenhouse Gas Protocol, GHG Protocol or ISO 14064-1 issued by International Organization for Standard-ization, ISO.

Note 4. The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NT\$ million) should be stated.



### 1-1-2 Greenhouse Gas Confidence Information

**Provide a description of the most recent two-year assurance status as of the date of publication of the annual report, including the scope of assurance, the assurance organization, the assurance criteria, and the assurance opinion.**

1. The parent company entity shall begin assurance starting from 2025.

2. Subsidiaries included in the consolidated financial statements shall begin assurance starting from 2027.

The assurance status for the greenhouse gas inventory of the Company and some subsidiaries in the consolidated financial statements for the past two years is as follows:

Scope of Assurance		2023 Emissions (tons CO <sub>2</sub> e)	2024 Emissions (tons CO <sub>2</sub> e)	
The Company	Scope 1 [Direct Greenhouse Gas Emissions]	21,012	Complete assurance information will be disclosed in the 2024 Sustainability Report	
	Scope 2 [Indirect Greenhouse Gas Emissions]	121,601		
	Total	142,613		
	Percentage of the inventory data disclosed in section 1-1-1	100%		
Consolidated Financial Report Subsidiaries	Scope 1 [Direct Greenhouse Gas Emissions]	183,935		
	Scope 2 [Indirect Greenhouse Gas Emissions]	433,873		
	Total	617,808		
	Percentage of the inventory data disclosed in section 1-1-1	100%		
Assurance Institutions		Ernst & Young Joint Accounting Firm		
Assurance Status Description		Assurance Standard 3410 Limited Assurance		
Assurance Opinion/Conclusion		Unqualified Conclusion		

Note: In 2023, the emissions from the USI Kaohsiung Plant, APC Linyuan Plant, TTC Linyuan Plant, CGPC Toufen Plant, and TVCM Linyuan Plant, which are managed by the Environmental Protection Department, will use the environmental department's verification statement as a shared opinion for assurance. According to the Taiwan Stock Exchange "FAQs on the Management Guidelines for Assurance Providers" Q1-1, an accountant may issue an integrated opinion on greenhouse gas emissions by using the verification statement obtained in accordance with the regulations of the Ministry of Environment as a distributed opinion.

Note 1. In accordance with the timeframe set forth in the order stipulated in Article 10 (2) of these Guidelines, if the Company has not obtained a complete greenhouse gas assurance opinion by the printing date of the annual report, it shall state that "the complete assurance information will be disclosed in the perpetual report", and if the Company has not compiled a perpetual report, it shall state that "the complete assurance information will be disclosed in the MOPS", and disclose the complete assurance information in the following year's annual report.

Note 2. The confirming organization should comply with the requirements for confirming organizations of the sustainability report set by the Taiwan Stock Exchange Corporation and the Over-the-Counter Securities Trading Center of the Republic of China

Note 3. For more information on the disclosure, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

## 1-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans

**Describe the base year of greenhouse gas reduction and its data, reduction targets, strategies and specific action plans, and the achievement of reduction targets.**

### **Reduction Target:**

The Company has set a 2030 GHG reduction target of a 27% reduction in GHG emissions in 2030 compared to the base year, using 2017 as the base year as the boundary for consolidated financial reporting. This target covers emissions from product lines and services already in existence in the base year. Product lines and services newly established after the base year will not be included in the calculation of the 2030 target, and the related reduction strategies will be planned separately. The 2030 reduction target will be further achieved through the following specific actions.

### **Base Year:**

2017 is designated as the base year for total greenhouse gas emissions.

### **Strategies and Specific Actions:**

The consolidated company continues to implement ISO 14064-1 greenhouse gas inventory and assurance, promote energy management, and execute carbon reduction projects. The Group is also actively developing external renewable energy sites. As electricity emissions account for over 60% of total emissions, green energy deployment is a key strategy:

- ◆ Solar Power: Installed capacity reached 8.6 MW in 2024, with a target of 20 MW by 2027.
- ◆ Geothermal Energy: The project site is located in Taitung and is currently undergoing advanced exploration.
- ◆ Offshore wind power: The Company formed Chemical Union Corporation with the petrochemical industry and negotiated with wind power developers for the purchase of electricity.

### **Carbon Reduction Strategy Implementation Phases:**

- ◆ Short-term (through 2025): Equipment replacement, process optimization, smart energy management, green power procurement, and implementation of internal carbon pricing.
- ◆ Mid-term (2025–2030): Low-carbon energy transition, use of renewable energy, smart monitoring, and supply chain engagement.
- ◆ Long-term (through 2050): Development of CCUS and negative emissions technologies, moving toward carbon neutrality. **Progress Toward Reduction Target:**

As of 2024, greenhouse gas emissions have decreased by 20.7% compared to the base year (2017). Emissions in 2017 were 920,000 metric tons CO<sub>2</sub>e/year, and in 2024, they were 730,000 metric tons CO<sub>2</sub>e/year.

Note 1. This shall be done in accordance with the time schedule set by the order stipulated in Article 10 (2) of the Guidelines.

Note 2. The base year shall be the year in which the consolidated financial report boundary is completed. For example, in accordance with the order stipulated in Article 10, Paragraph 2 of this Standard, a company with a capital of over NT\$10 billion shall complete the consolidated financial report for the 2024 in the 2025 of the fiscal year, and therefore the base year shall be in 2024; if the Company has completed the consolidated financial report earlier, it may use that earlier year as the base year, and the data of the base year may be calculated by the average of a single year or a number of years.

Note 3. For more information on the disclosure, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.



## (VI) Implementation of ethical corporate management and measures for its implementation

## Ethical Corporate Management and Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such discrepancies
	Yes	No	Abstract Illustration	
<p>I. Formulating Ethical Corporate Management Policies and Programs</p> <p>(I) Does the Company formulate its ethical corporate management policies that have been approved by the Board of Directors? Has the Company declared its ethical corporate management policies and procedures in its guidelines and external documents, and does the Board of Directors and management work proactively to implement their commitment to those management policies?</p> <p>(II) Does the Company establish an assessment mechanism for unethical risks, according to which it analyzes and assesses operating activities with high potential unethical risks? Does the mechanism include any precautionary measures against all the conducts as stated in Paragraph 2, Article 7, of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III) Has the Company established policies to prevent unethical conduct with relevant procedures, guidelines of conduct, punishment for violation, rules of appeal clearly stated in the policies, and implemented the policies, and reviewed the aforementioned policies on a regular basis?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) Integrity Policy The Group upholds the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society" and exercises its corporate culture that "seeks truth, honesty and comprehensiveness". The Board of Directors has approved that the Company has established the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to specify its ethical corporate management policies. The Company's Board of Directors and the General Manager have signed statements of ethical management to fulfill their commitments in management policies.</p> <p>(II) Code of Integrity and Preventive Measures The Company has established the "Ethical Corporate Management Principles", approved by the Board of Directors, and established a risk assessment mechanism for unethical conduct to regularly analyze and evaluate business activities with higher risk of unethical conduct within the business scope, so as to formulate prevention programs, while reviewing the adequacy and effectiveness of prevention programs on a regular basis and strengthening relevant preventive measures. The prevention programs adopted by the Company include preventive measures against the following: 1. To bribe and receive a bribe. 2. To provide illegal political donations. 3. To offer improper charitable donations or sponsorships. 4. To offer or accept unjustified presents or hospitality, or other improper benefits. 5. To infringe on business secrets, trademarks, patents, copyrights, and other intellectual property rights. 6. To engage in unfair competition. 7. Products and services directly or indirectly impair the rights, health, and safety of consumers or other stakeholders when they are developed, purchased, manufactured, supplied or sold.</p> <p>(III) Integrity Management and Whistleblowing Channels 1. The Company has established a "Code of Integrity Management" and "Procedures for Integrity Management and Guidelines for Conduct", both approved by the Board of Directors. These documents specify the conduct expected of directors, managers, employees, and actual controllers, as well as disciplinary measures and grievance mechanisms for violations. 2. The Company has established the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" to promote the reporting of any illegal behavior or violation of the Code of Conduct or the Ethical Corporate Management Principles. Multiple whistleblowing channels are available. Employees and external parties may report illegal, unethical, or dishonest conduct</p>	<p>Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".</p>

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			<p>through the following channels. Designated personnel are responsible for handling such reports, and the identity of whistleblowers and the content of the reports are kept confidential.</p> <p>Whistleblowing Channels:</p> <ul style="list-style-type: none"> <li>◎ Audit Committee: Accessible via the Company website for shareholders, investors, and other stakeholders.</li> <li>◎ Group Audit Office: Reporting hotline: 2650-3783.</li> <li>◎ Group Human Resources Department: Complaint hotline (extension 2609) and email: <a href="mailto:usighr@usig.com">usighr@usig.com</a>.</li> <li>◎ Employee Complaint Mailbox: Located at the security office or bulletin board area in the plant; in the Taipei office, located on the 6th floor of the Tai Ju Building.</li> </ul> <p>No illegal report was received by any division in 2024.</p> <p>3.Implementation of relevant regulations and continuous offering of education and training to raise employees' awareness.</p>	
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(II) Does the Company have a unit under the Board of Directors that specializes in promoting ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p> <p>(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct".</p> <p>(II) To enhance ethical corporate management, the Corporate Governance Work Team is responsible for the formulation and supervision of the implementation of ethical corporate management policies and prevention solutions. The Corporate Governance Officer is responsible for regular reports (at least once every year) to the Board of Directors:</p> <p>The Head of Corporate Governance will report to the Board of Directors on November 7, 2024 on the annual performance of ethical operations, including the following:</p> <ol style="list-style-type: none"> <li>1.In line with legal and regulatory requirements, the Company has established and implemented relevant regulations to enforce the integrity management policy.</li> <li>2.Risks of unethical conduct within the business scope are regularly analyzed and assessed using the "Checklist for Assessing the Risk of Unethical Conduct." Based on the assessment, no significant risks were identified for the current year.</li> <li>3.The Company has planned its internal organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope.</li> <li>4.It promoted and coordinated of honesty policy advocacy training.</li> <li>5.A whistleblowing system has been implemented to ensure effective execution. No reports of illegal conduct were received this year.</li> <li>6.Assist the Board of Directors and the General Manager in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical corporate management are carried out effectively, and prepare reports on the regular assessment of compliance with operating procedures.</li> </ol> <p>(III)The Company has formulated the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to prevent conflicts of interest and provide suitable channels (the Audit Committee mailbox, a dedicated section for stakeholders, a dedicated section for shareholders' questions and answers, and a dedicated section for investor services on the Company's website: <a href="https://www.usife.com.tw/">https://www.usife.com.tw/</a>) for Directors, managerial officers, and employees to explain</p>	<p>Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".</p>



Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such discrepancies																																										
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<p>(IV) Does the Company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?</p> <p>(V) Does the Company regularly hold internal and external training related to ethical corporate management?</p>	✓		<p>any potential conflict of interest with the Company. Responses to shareholders' questions are also included in the shareholders' Q&amp;A section for public viewing.</p> <p>(IV) The accounting system and internal control system of the Company can operate independently and objectively, and the internal auditors report their findings to the audit committee and the Board of Directors regularly. CPAs appointed by the Company regularly perform internal audits and hold discussions with the management.</p> <p>The internal audit unit, after assessing risks, has drafted the audit plan for the next year, which incorporates the items under "Management of Reporting Illegal and Unethical or Dishonest Behavior," so as to audit the compliance with the Company's Unethical Conduct Prevention Program.</p> <p>(V) To promote understanding and adherence to the Group's integrity and ethical standards among directors, managers, and employees, the Company requires all new hires to comply with the integrity management policy. Employees must sign a letter of commitment on their first day of employment. Directors and senior managers sign a statement of ethical conduct upon their appointment. These records are kept by designated personnel for future reference.</p> <p>To implement integrity management and ethical conduct, the Company continues to conduct awareness programs and training sessions, including assessments to enhance employee understanding. In 2024, the Company conducted educational training courses related to integrity management, with a total of 153 participants (including employees and directors) and a total of 308 training hours. The course details are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Course Title</th> <th rowspan="2">Hours</th> <th colspan="2">Total</th> </tr> <tr> <th>Total Participants</th> <th>Total hours</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>[Ethics Seminar] Understanding Workplace Misconduct for Supervisors</td> <td>2</td> <td>29</td> <td>58</td> </tr> <tr> <td>2</td> <td>[Ethics Seminar] Pause and Reflect on Workplace Ethics</td> <td>2</td> <td>76</td> <td>152</td> </tr> <tr> <td>3</td> <td>[Ethics Seminar] Fault-Free Product Liability</td> <td>2</td> <td>43</td> <td>86</td> </tr> <tr> <td>4</td> <td>[Ethics Seminar] Insider Trading Case Studies and Related Legal Responsibilities</td> <td>3</td> <td>1</td> <td>3</td> </tr> <tr> <td>5</td> <td>[Ethics Seminar] On the Prevention of Illegal Infringement in Workplace</td> <td>2</td> <td>3</td> <td>6</td> </tr> <tr> <td>6</td> <td>[Ethics Seminar] Brief Introduction of Trade Secrets Act and Case Study</td> <td>3</td> <td>1</td> <td>3</td> </tr> <tr> <td colspan="3" style="text-align: center;">Total</td> <td>153</td> <td>308</td> </tr> </tbody> </table>	No.	Course Title	Hours	Total		Total Participants	Total hours	1	[Ethics Seminar] Understanding Workplace Misconduct for Supervisors	2	29	58	2	[Ethics Seminar] Pause and Reflect on Workplace Ethics	2	76	152	3	[Ethics Seminar] Fault-Free Product Liability	2	43	86	4	[Ethics Seminar] Insider Trading Case Studies and Related Legal Responsibilities	3	1	3	5	[Ethics Seminar] On the Prevention of Illegal Infringement in Workplace	2	3	6	6	[Ethics Seminar] Brief Introduction of Trade Secrets Act and Case Study	3	1	3	Total			153	308	
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<p>III. Implementation of the Company's Whistleblowing System</p> <p>(I) Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to handle investigations against wrongdoers?</p>	✓		<p>(I) On November 13, 2019, the Board of Directors approved the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct," which are publicly disclosed on the Company's website (URL: <a href="https://www.usife.com.tw/USIWebFiles/Others/USI_IllegalReport.pdf">https://www.usife.com.tw/USIWebFiles/Others/USI_IllegalReport.pdf</a>).</p> <p>The procedures specify the whistleblowing channels, reward system, designated personnel, and protection for whistleblowers:</p> <p>1. Report channel:</p> <p>(1) Personal report: Face-to-face explanation.</p> <p>(2) Whistleblowing Hotline: 02-26503783</p> <p>(3) Written report: Audit Office, 7F., No. 37, Jihu Rd., Neihu Dist., Taipei City.</p> <p>(4) Reports made in person or by phone will be documented in writing by responsible personnel and marked as "confidential".</p> <p>2. Incentive system:</p> <p>Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to the General Manager to provide the whistleblower with</p>	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".																																										

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such discrepancies
	Yes	No	Abstract Illustration	
<p>(II) Has the Company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?</p> <p>(III) Has the Company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?</p>	<p>✓</p> <p>✓</p>		<p>appropriate rewards.</p> <p>3. Responsible personnel:            (1) Audit Committee: Accept reports from shareholders, investors, and other stakeholders.            (2) Audit Office: Accept reports from customers, suppliers, and contractors.            (3) Human Resources Department: Accept reports from employees.</p> <p>4. Whistleblower protection:            Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation. Where the whistleblower is an employee, the Company shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.</p> <p>(II) The Company's Board of Directors passed the "Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct", which specifies the standard operating procedures for investigating the case being exposed by the whistle-blower and the relevant confidentiality mechanism; where whistle-blower is anonymous or did not use his/her true name, or the content stated or the proof of origin provided is deemed necessary for investigation, the case may still be reported to the Chairman/General Manager before the case is handled and recorded as a reference for internal review. After a report is accepted, an investigation will be conducted for internal evidence. If it is proved to be true, the Company will handle it based on its illegal violation or the severity of violation in accordance with the disciplinary regulations and relevant laws.</p> <p>(III) The procedures explicitly state that whistleblowers and individuals involved in investigations must be afforded strict confidentiality and protection against unfair treatment or retaliation.</p>	
<p>IV. Enhancing information disclosure</p> <p>Has the Company disclosed the content and effectiveness of its integrity management principles on the Company's website and the MOPS?</p>	<p>✓</p>		<p>The Company has disclosed relevant regulations and information on ethical corporate management on the Company's website. Website: <a href="https://www.usife.com.tw/zh-tw/dirInvestor/firmInvestor1.aspx">https://www.usife.com.tw/zh-tw/dirInvestor/firmInvestor1.aspx</a>. Information regarding the Company's integrity management practices and outcomes is disclosed in the annual report and on the MOPS.</p>	<p>Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".</p>
<p>V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, state the discrepancies between these principles and its implementation:            The Company has established its "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers", the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", the "Code of Conduct for Employees Regarding Concurrent and Part-time Work", and the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct". There was no material discrepancy during the implementation of these rules and regulations.</p>				
<p>VI. Other important information that facilitates the understanding of the implementation of ethical corporate management: (such as review and amendment of the Company's "Ethical Corporate Management Best Practice Principles")</p> <p>1. By referring to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" promulgated by the competent authority, the Company has formulated own "Ethical Management Best Practice Principles," "Ethical Management Operating Procedures" and "Code of Conducts," and "Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct," which has been effective after reporting to and approving by the Board of Directors. The same rule shall apply to any amendments thereof. The Corporate Governance Officer regularly reports to the Board of Directors on the implementation of the integrity management policy. The most recent report was presented on November 7, 2024.</p> <p>2. In accordance with the Code of Corporate Governance amended by the competent Authority in August 2022, the Company has amended the Company's "Guide to Ethical Business Procedures and Conduct" to stipulate that, in addition to complying with the ban on insider trading, the directors of the Company shall not trade in the Company's shares during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.</p>				

Note 1. Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.



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

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

(VIII) The following items related to the implementation of internal control systems shall be disclosed:

1. Internal Control Statement



**Statement on Internal Control System**

Date: March 10, 2025

According to the results from our self-evaluation, the Company shall make the following statements on our internal control system in 2024:

- I. The Company acknowledges that the establishment, implementation and maintenance of internal control systems are the responsibilities of the Company's Board of Directors and managerial officers, and thus the Company has established such systems. The objectives of this system are to meet various goals including achieving operational benefits and efficiency (including profitability, performance, as well as asset and safety protection), and ensuring the reliability, timeliness, transparency and regulatory compliance of reporting, thereby providing reasonable assurance.
- II. An internal control system has inherent constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above-mentioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the Company's internal control systems are equipped with self-monitoring mechanisms, thereby allowing the Company to take immediate remedial actions in response to any identified deficiency.
- III. The Company determines whether or not the design and implementation of its internal control system is effective according to the items for determining the effectiveness of internal control systems as stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The items for the determination of internal control systems adopted in the Regulations has identified five key components based on management control processes: (1) control environment, (2) risk assessment, (3) control operations, (4) information and communication, and (5) monitoring operations. Each component includes several items. For more information on the aforementioned items, please refer to the Regulations.
- IV. The Company has adopted the items for determining internal control systems in order to evaluate the effectiveness of its internal control system design and implementation.
- V. Based on the aforementioned evaluation results, the Company believes that as of December 31, 2024, its internal control systems (including supervision and management of subsidiaries), including the understanding of the extent to which operational effectiveness and efficiency objectives are achieved, as well as the reliability, timeliness, transparency, and regulatory compliance of reporting, are effectively designed and implemented to reasonably ensure the achievement of the above objectives.
- VI. The Statement shall become the main content of the Company's annual report and prospectus, and shall be made public. Should the above mentioned content contain illegalities such as fraudulent and hidden information, the Company shall assume legal liabilities involving Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. This statement was adopted by the Board of Directors of the Company on March 10, 2025, and the nine directors present agree to the content of this statement and hereby declare.

**USI Corporation**

**Chairman: Quintin Wu Signature and Seal**



**General Manager: Wu, Pei-Chi  
Signature and Seal**





2. Where CPAs are commissioned to audit the Company's internal control systems, the audit report prepared by the CPAs shall be disclosed: Not applicable

(IX) Key resolutions adopted by the Shareholders' Meeting and the Board of Directors in the most recent fiscal year up to the publication date of this annual report

1. Shareholders' Meeting

Year of Meeting	Date of Meeting	Key Resolutions
2024	2024/5/31	<p>The minutes of the Shareholders' Meeting were posted onto MOPS on June 19, 2024. The key resolutions and their status of implementation are as follows:</p> <ol style="list-style-type: none"> <li>1. Approved the 2023 Account Book. Status of Implementation: Approved.</li> <li>2. Approved the 2023 earnings distribution plan. Status of Implementation: Approved. The distribution of cash dividends of NT\$416,067,225 to the shareholders, with August 2 2024 as the base date, was completed on August 23, 2024.</li> <li>3. Deliberate on the removal of the non-compete clause for Directors Status of Implementation: Approved.</li> </ol>

2. Board of Directors

Session (Year) of Meeting	Date of Meeting	Key Resolutions
4th Meeting of the 24th Term (1st meeting in 2024)	03/08/2024	<ol style="list-style-type: none"> <li>1. To ratify the renewal of the three-year medium-term loan facility with Bank of China, Taipei Branch.</li> <li>2. Approved the 2023 Account Book</li> <li>3. Approved the 2023 earnings distribution plan</li> <li>4. Approved the recommendation to lift competition restrictions against elected directors at the Annual General Meeting</li> <li>5. Approved matters related to the convening of the 2024 general shareholders' meeting.</li> <li>6. Approved to set the period and premises for receiving shareholders' proposals.</li> <li>7. Approved the 2024 Evaluation of the Independence of Appointed CPAs.</li> <li>8. Approved the appointment of CPAs for year 2024.</li> <li>9. Approved the amendment of certain articles in the Rules of Procedure for Board of Directors' Meetings</li> <li>10. Approved the amendment of certain provisions of the "Rules and Regulations Governing the Organization of the Audit Committee".</li> <li>11. Approved the issuance of the 2023 Statement of Internal Control System.</li> <li>12. Permitted managerial officers to engage in competitions</li> <li>13. Authorize the Chairman to sign and deliver shot-term credit loan contracts and related documents to financial institutions</li> <li>14. Approve donations to the USI Education Foundation</li> </ol>
5th Meeting of the 21st Term (2nd Meeting of 2024)	5/10/2024	<ol style="list-style-type: none"> <li>1. Ratified endorsement and guarantee for subsidiary USI Green Energy Corporation.</li> <li>2. Approved the 2024 Quarter 1 Consolidated Financial Statements.</li> <li>3. Passed the amendments to the Company's internal control system.</li> </ol>
6th Meeting of the 21st Term (3rd Meeting in 2024)	8/8/2024	<ol style="list-style-type: none"> <li>1. Approved the 2024 Quarter 2 Consolidated Financial Statements.</li> <li>2. Approved the 2023 Sustainability Report</li> <li>3. Approved the construction of the TPC Innovation &amp; R&amp;D Center via a build-operate-transfer model on company-owned land.</li> <li>4. Approved partial amendments to the Corporate Governance Best Practice Principles.</li> </ol>
3rd Meeting of the 21st Term (4th Meeting in 2024)	11/7/2024	<ol style="list-style-type: none"> <li>1. Ratified endorsement and guarantee for subsidiary USI Green Energy Corporation.</li> <li>2. Ratified changes to certain terms of a five-year medium-term loan agreement with Taipei Fubon Bank.</li> <li>3. Ratified changes to certain terms of a five-year medium-term loan agreement with E.SUN Commercial Bank.</li> <li>4. Ratified a new three-year medium-term credit facility agreement with Yuanta Commercial Bank.</li> <li>5. Approved the 2024 Quarter 3 Consolidated Financial Statements.</li> <li>6. Approved the 2025 budget.</li> <li>7. Approved remuneration of CPAs for year 2024.</li> <li>8. Approved partial amendments to the Internal Control System.</li> <li>9. Approved the 2025 Annual Audit Plan.</li> <li>10. Approved non-competition activities by managers.</li> </ol>
8th Meeting of the 21st Term (1st meeting in 2025)	3/10/2025	<ol style="list-style-type: none"> <li>1. Ratified endorsement and guarantee for subsidiary USI Green Energy Corporation.</li> <li>2. Approved the 2024 Account Book</li> <li>3. Approved the 2024 earnings distribution plan</li> <li>4. Approved the amendment of certain articles in the Articles of Incorporation.</li> <li>5. Approved the definition of the Company's "grassroots employees".</li> <li>6. Approved the recommendation to lift competition restrictions against elected directors at the Annual General Meeting</li> <li>7. Approved matters related to the convening of the 2025 general shareholders' meeting.</li> <li>8. Approved to set the period and premises for receiving shareholders' proposals.</li> <li>9. Approved the 2025 Evaluation of the Independence of Appointed CPAs.</li> <li>10. Approved the appointment of CPAs for year 2025.</li> <li>11. Approved the issuance of the 2024 Statement of Internal Control System.</li> <li>12. Authorize the Chairman to sign and deliver shot-term credit loan contracts and related documents to financial institutions</li> <li>13. Approve donations to the USI Education Foundation</li> </ol>

- (X) Dissenting opinions or qualified opinions on resolutions passed by the Board of Directors that are made by directors and supervisors, and are documented or issued through written statements, in the most recent fiscal year up to the publication date of this annual report:

No such situation at the Company in the most recent fiscal year up to the publication date of the Annual Report.

#### IV. Certified Public Accountants' Fee Information:

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPA	CPA's duration of audit	Audit Fees	Non-Audit Fees	Total	Remark
Deloitte & Touche	Certified Public Accountants Chuang, Pi-Yu	2024	4,670	740	5,410	Non-audit fees and details of other services: Fees for verification of the tax is NT\$740 thousand.
	Certified Public Accountants Chen, Chun-Hung	2024				

Please specify the non-audit services (e.g. tax verification, assurance or other financial advisory services).

Note: If the Company has replaced the CPAs or accounting firm in the current fiscal year, the audit period should be listed separately, and the reason for replacement should be stated in the "remark" column. Information regarding the audit and non-audit fees paid should also be disclosed in order. Non-audit expenses shall be accompanied by a note indicating the content of their services.

- (I) If the non-audit fees paid to the CPAs, their accounting firm and affiliated companies of their accounting firm exceed one-fourth of the audit fees paid to them, the amount of audit and non-audit fees, and the content of non-audit services shall be disclosed:

The non-audit fees paid by the Company did not exceed one-fourth of the audit fees.

- (II) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons for paying this amount shall be disclosed:

The Company did not replace the CPA firm.

- (III) Where accounting fee paid for the year was 10% (or above) less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed:

The audit fees paid by the Company in 2024 has increased decreased by less than 10% compared to that of 2023.



## V. Information Regarding the Replacement of CPAs:

(I) Previous CPAs: Not applicable

Date of Replacement			
Replacement reasons and explanations			
State whether the appointer or the CPAs have terminated the appointment, or whether the appointer or the CPAs have rejected the appointment	Contracting Party		CPA
	Position		Scenario
	Termination initiated by client		
CPA declined to accept (continue) the appointment			N/A
Other issues (except for unqualified issues) in the audit reports within the last two years			
Differences with the Company	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Other
	No		
Explanation:			
Other items for disclosure (where Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Regulation should be disclosed)			

(II) Successor CPAs: Not applicable

Name of accounting firm	/
Name of CPA	
Date of Appointment	
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement	
Written opinions from successor CPAs with regards to matters with which former CPAs disagreed	

(III) Former CPAs reply to Item 1 and Item 2-3, Subparagraph 6, Article 10 of the Regulations: Not applicable

**VI.** The Company's Directors, General Manager, Managerial Officer in Charge of Finance or Accounting who has Served in a CPA's Accounting Firm or its Affiliated Companies in the Most Recent Fiscal Year: No such situation

**VII. The Latest Year and up to the Printing Date of the Annual Report, the Directors, Supervisors, Managers and Shareholders Holding more than 10% of the Shares of the Company's Stock Transfer and Changes in the Pledges of Stock Options:**

(I) Changes in Shareholding of Directors, Supervisors, Managerial Officers and Major Shareholders

Unit: Shares

Title (Note 1)	Name	2024		Current fiscal year up to March 31, 2025	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
Major Shareholder	Shing Lee Enterprises (Hong Kong) Limited	0	0	0	0
Director	Quintin Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited)	0	0	0	0
	Wu, Hung Ting (Representative of Shing Lee Enterprise (Hong Kong) Limited)	0	0	0	0
Shareholder	Asia Polymer Corporation	0	0	0	0
Director	Yu, Ching-Shou (Representative of Asia Polymer Corporation)	0	0	0	0
	Kao, Che-I (Representative of Asia Polymer Corporation)	0	0	0	0
Shareholder	Taita Chemical Company, Ltd.	0	0	0	0
Director	Wu, Pei-Chi (Representative of Taita Chemical Company, Ltd.)	0	0	0	0
Independent Director	Chen, Chung	0	0	0	0
	Tu, Tzu-Chun	0	0	0	0
	Hai, Ying-Chun	0	0	0	0
	Chen, Sheng-Te (newly appointed on May 31, 2023)	0	0	0	0
General Manager	Wu, Pei-Chi	0	0	0	0
Deputy General Manager:	Liu, Han-Tai	0	0	0	0
Deputy General Manager of Business	Wu, Ming-Tsung	0	0	0	0
Corporate Governance Officer	Chen, Yung-Chih	0	0	0	0
Director of Business Division	Tseng, Kuo-Lung(Note 3)	0	0	0	0
Director of Business Division	Huang, Ke-Ming (Note 3)	N/A		0	0
Finance Manager	Yang, Wen-Li	0	0	0	0
Accounting Manager	Kuo, Chuan-Hua	0	0	0	0

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

Note 2. Counterparties involved in equity transfer or pledging of equity are related parties and shall be listed in the following table.

Note 3. Director of Operations duties were adjusted and replaced by Huang, Ke-Ming on February 5, 2025.



(II) Information regarding equity transfer

Unit: Shares

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

Note 1. Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent  
 Note 2. Fill either "Acquisition" or "Disposal".

(III) Information regarding pledging of shares

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

Note 1. Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent  
 Note 2. Fill either "Pledge" or "Redemption"

## VIII. Information regarding the Top 10 Shareholders in terms of Number of Shares Held, who are Related Parties or Each Other's Spouses and Relatives within the Second Degree of Kinship:

March 31, 2025

Name (Note 1)	Current Shareholding		Shares Held By Spouse And Underage Children		Shareholding By Nominee Arrangement		Title Or Name And Relationship Of Top 10 Shareholders Who Are Related Parties Or Each Other's Spouses And Relatives Within The Second Degree Of Kinship (Note 3)		Remark
	Number of share	Percentage of Ownership (%) (Note 2)	Number of share	Percentage of Ownership (%) (Note 2)	Number of share	Percentage of Ownership (%) (Note 2)	Title (or name)	Relationship	
Shing Lee Enterprises (Hong Kong) Limited	173,776,546	14.62%	—	—	0	0%	Asia Polymer Corporation	Note 4	
Representative: Wu, Hong Cheng	3,000	0%	0	0%	0	0%	No	No	
Wholegainer Company Limited' investment account is under custody of Fubon Securities Co., Ltd.	110,000,000	9.25%	—	—	0	0%	No	No	
Asia Polymer Corporation	101,355,673	8.53%	—	—	0	0%	Shing Lee Enterprises (Hong Kong) Limited	Note 4	
Representative: Wu, Yi-Gui	113,122	0.01%	—	—	0	0%	No	No	
Fubon Life Insurance Co., Ltd.	53,422,000	4.49%	—	—	0	0%	No	No	
Representative: Lin, Fu-Hsing	0	0%	0	0%	0	0%	No	No	
Taixing Investment Co., Ltd.	24,233,695	2.04%	—	—	—	—	Shareholders did not provide information.		
Representative: Hsueh, Mei-Liang	Shareholders did not provide information.								
Lin, Hua-Hsin	20,756,936	1.75%	0	0%	0	0%	No	No	
Yueh Hsing Hua Investment Co., Ltd.	20,621,422	1.73%	—	—	—	—	Shareholders did not provide information.		
Representative: Hsueh, Hui-Liang	Shareholders did not provide information.								
Yu, Wen-Hsuan	16,750,000	1.41%	0	0%	0	0%	Note 5	Note 5	
Yu, Wen-Tsung	16,750,000	1.41%	0	0%	0	0%	Note 5	Note 5	
Yu, Wen-Yu	16,750,000	1.41%	0	0%	0	0%	Note 5	Note 5	

Note 1. All the top 10 shareholders should be listed. For institutional shareholders, their names and the name of their representatives shall be listed separately.

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

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

Note 4. Shing Lee Enterprises (Hong Kong) Limited is the corporate director of our company and a subsidiary of Asia Polymer Corporation, the ultimate parent company

Note 5. Miss Yu Wen-Hsuan, Mr. Yu Wen-Tsung and Miss Yu Wen-Yu are relatives within the second degree of kinship.



## IX. The Number of Shares Held by The Company, The Directors, Supervisors And Managers of The Company And The Company Directly or Indirectly Control The Businesses in The Same Reinvested Business And The Combined Shareholding Ratio

December 31, 2024

Unit: shares; %

Investee Companies (Note)	Invested by the Company		Investment by Directors, Supervisors, managerial officers and directly or indirectly controlled companies		Combined Investment	
	Number of share	Percentage of Shares Held	Number of share	Percentage of Shares Held	Number of share	Percentage of Shares Held
USIFE Investment Co., Ltd.	89,647,000	100.0%	-	0.0%	89,647,000	100.0%
Swanlake Traders Ltd.	30,000,000	100.0%	-	0.0%	30,000,000	100.0%
USI (Hong Kong) Company Limited	159,999	100.0%	1	0.0%	160,000	100.0%
USI Management Consulting Corp.	671,400	100.0%	-	0.0%	671,400	100.0%
Union Polymer International Investment Corporation	918,324,656	100.0%	-	0.0%	918,324,656	100.0%
Taiwan United Venture Capital Corp.	7,000,000	70.0%	832,666	8.3%	7,832,666	78.3%
Chong Loong Trading Co., Ltd.	7,723,419	99.96%	-	0.0%	7,723,419	99.96%
Acme Electronics Corporation	61,682,967	29.0%	40,266,639	18.9%	101,949,606	47.9%
Swanson Plastics Corporation	62,616,299	40.6%	24,037,560	15.6%	86,653,859	56.2%
INOMA Corporation	1,334,729	94.4%	-	0.0%	1,334,729	94.4%
Ever Conquest Global Limited	246,670,000	59.1%	170,475,000	40.9%	417,145,000	100.0%
USI Optronics Corporation	33,000,000	50.8%	28,263,712	43.5%	61,263,712	94.4%
USI Green Energy Corporation	36,616,004	100.0%	-	0.0%	36,616,004	100.0%
Delmind Inc.	9,000,000	30.0%	-	0.0%	9,000,000	30.0%
Chem Union Renewable Energy Corporation	1,000,000	33.3%	-	0.0%	1,000,000	33.3%

Note: Invested by the Company using the equity method.

## Chapter 3. Funding Status

### I. Capital and Shares

#### (I) Source of Share Capital

1. Disclose the types of shares issued by the Company in the most recent fiscal year up to the date of the publication of this annual report

As of March 31, 2025; Unit: Shares; NT\$

Year and Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of share	Amount	Number of share	Amount	Source of Share Capital	Capital Increased by Assets Other than Cash	Other
September, 2011	10	993,567,274	9,935,672,740	993,567,274	9,935,672,740	Capital increase by retained earnings NT\$1,295,957,310	No	Note 2(1)
August 2012	10	1,142,602,365	11,426,023,650	1,142,602,365	11,426,023,650	Capital increase by retained earnings 1,490,350,910CNY	No	Note 2(2)
June 2013	10	1,342,602,365	13,426,023,650	1,142,602,365	11,426,023,650	—	No	Note 2(3)
August 2017	10	1,342,602,365	13,426,023,650	1,165,454,412	11,654,544,120	Capital increase by retained earnings 228,520,470CNY	No	Note 2(4)
August, 2018	10	1,342,602,365	13,426,023,650	1,188,763,500	11,887,635,000	Capital increase by retained earnings NT\$233,090,880	No	Note 2(5)

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

Note 2. For any capital increase, the effective (approval) date and the document number shall be added.

(1) Approved document with Reference No. Ching Shou Shang Tzu 10001195590.

(2) Approved document with Reference No. Ching Shou Shang Tzu 10101178710.

(3) Approved document with Reference No. Ching Shou Shang Tzu 10201118240 (change of authorized capital).

(4) Approved document with Reference No. Ching Shou Shang Tzu 10601121280.

(5) Approved document with Reference No. Ching Shou Shang Tzu 10701105950.

Note 3. Shares issued for less than par value shall be indicated in a conspicuous manner.

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

Note 5. Private placement of corporate bonds shall be indicated in a clear manner.

March 31, 2025; Unit: Shares

Types of shares	Authorized Capital			Remark
	Outstanding Shares (Note)	Unissued Shares	Total	
Registered common shares	1,188,763,500	153,838,865	1,342,602,365	Registered Common Shares Listed

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

2. Information of shelf registration: Not applicable



## (II) List of Major Shareholders

March 31, 2025

Names of Major Shareholders	Shares	Number of Shares (Unit: Shares)	Percentage of Shares Held
Shing Lee Enterprises (Hong Kong) Limited		173,776,546	14.62%
Wholegainer Company Limited' investment account is under custody of Fubon Securities Co., Ltd.		110,000,000	9.25%
Asia Polymer Corporation		101,355,673	8.53%
Fubon Life Insurance Co., Ltd.		53,422,000	4.49%
Taixing Investment Co., Ltd.		24,233,695	2.04%
Lin, Hua Hsin		20,756,936	1.75%
Yueh Hsing Hua Investment Co., Ltd.		20,621,422	1.73%
Yu, Wen-Hsuan		16,750,000	1.41%
Yu, Wen-Tsung		16,750,000	1.41%
Yu, Wen-Yu		16,750,000	1.41%

## (III) Dividend Policy and Its Implementation:

## 1. Dividend policy stipulated in the Company's Articles of Association

If the Company posts a net income after taxes (NIAT) as indicated in its final annual accounts for the current fiscal year, the Company shall use its NIAT to cover cumulative loss in the previous fiscal year. If there is remaining balance, ten (10) percent of this balance has to be set aside as statutory reserves, while the rest shall be regarded as distributable profit. This distributable profit shall then be combined with undistributed earnings that have been accumulated in previous fiscal years. Part of this combined amount shall be recognized as or transferred to special reserves as required by the law or the competent authority, while the remaining balance shall be regarded as cumulative distributable profit. The Board of Directors shall propose a profit distribution plan which is then submitted to the Shareholders' Meetings for approval. The Shareholders' Meeting shall retain all or part of the Company's profit based on its business performance.

In regards to the resolution on profit distribution, it has been decided that, due to the fact that the industry to which the Company belongs is in the maturity stage, and taking in account R&D needs and business diversification, dividends paid to shareholders shall not be less than ten (10) percent of distributable profit in the current fiscal year, where cash dividends shall not be less than ten (10) percent of the total dividends. However, no dividend shall be distributed if the distributable profit per share in the current fiscal year is less than NT\$0.1.

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

Cash dividends: A total of NT\$237,752,700 is allocated from the cumulative distributable earnings as of the end of 2024 for cash dividends, with a distribution of NT\$0.2 per share. Upon resolution by the Annual General Meeting of Shareholders, the Chairman is authorized to designate the dividend record date.

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

The Company's dividend policy is not expected to experience any material changes as of the publication date of this annual report.

(IV) Effects on the Company's business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent Shareholders' Meeting:

Unit: New Taiwan Dollars (NT\$)

Item	Year	2024 (Estimated)
Beginning paid-in capital		11,887,635,000
Distribution of dividends in the current fiscal year (Note 1)	Cash dividends per share	0.2
	Number of shares distributed per share held due to capital increase from surplus earnings	—
	Number of shares distributed per share held due to capital increase by capital reserve	—
Changes in Operating Performance	Operating profit	Not applicable (Note 2)
	Percentage of increase (decrease) in operating income YoY	
	Net income after taxes (NIAT)	
	Percentage of increase (decrease) in NIAT over the same period in the previous fiscal year	
	Earnings Per Share	
	Percentage of increase (decrease) in EPS over the same period in the previous fiscal year	
	Annual average return on investment (reciprocal of average annual price/earnings ratio)	
Pro forma earnings per share and price/earnings Ratio	If capital increase by retained earnings is entirely replaced by cash dividend distribution	Pro forma earnings per share
		Pro forma average annual return on investment
	If capital reserve is not used for capital increase	Pro forma earnings per share
		Pro forma average annual return on investment
	If capital reserve is not used for capital increase and capital increase from surplus earnings is replaced by distribution of cash dividends	Pro forma earnings per share
		Pro forma average annual return on investment

Note 1. The stock and cash dividend distribution for 2024 is based on the earnings distribution proposal approved by the Board of Directors on March 10, 2025.

Note 2. The Company has no regulations in place for the publication of its financial forecast. Hence, changes in the Company's operating performance, pro forma earnings per share and price-to-earnings ratio are not applicable.

(V) Rewards Distributed to Employees and Directors:

1. Percentage or range of rewards distributed to employees and directors as stipulated in the Company's Articles of Association:

- (1) Employee rewards: Employee rewards shall not be less than one (1) percent of the Company's profit in the current fiscal year. However, the Company shall reserve its profit to cover its loss if cumulative loss is recorded. The total amount of employees' compensation distributed as mentioned above shall not be less than 40% of the total amount of employees' compensation distributed to grassroots employees. The above-mentioned employee remuneration can be distributed in the form of shares or cash. Remuneration may also be distributed to employees of the Company's subordinate companies when they meet certain conditions. Such conditions shall be set by the Board of Directors.
- (2) Directors' remuneration: Directors' remuneration shall not exceed one (1) percent of the Company's profit in the current fiscal year. However, the Company shall reserve its profit to cover its loss if cumulative loss is recorded.

2. Basis for estimating the amount of remuneration to be distributed to employees and directors, basis for calculating the number of shares to be distributed as employee



## Funding Status

remuneration and accounting treatment for discrepancies between the actual and estimated amount of remuneration to be distributed for this period:

- (1) Basis for estimating employee compensation: To be calculated based on the condition that employee remuneration shall not be less than one (1) percent of the Company's profit in the current fiscal year.
- (2) Basis for calculating the number of shares to be distributed as employee remuneration: Not applicable.
- (3) Accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed: If there is any material change made to the amount of rewards upon approval by the Board of Directors, such changes shall be adjusted as annual expenses in the current fiscal year.

### 3. Distribution of remuneration approved by the Board of Directors:

- (1) Remuneration for employees and directors shall be distributed in the form of cash or shares. If there is any discrepancy between the above mentioned amount and estimated amount of recognized expenses for the current fiscal year, the amount, causes and treatment of such discrepancy shall be disclosed:

As the Company did not report a profit in 2024, no remuneration will be distributed to employees or directors.

There was no discrepancy between the amount of rewards to be distributed as approved by the Board of Directors and the recognized amount of rewards for employees and directors.

- (2) Amount of employee remuneration distributed in the form of shares and its proportion to NIAT provided in the parent company only or individual financial statements, as well as its proportion to the total amount of employee remuneration:

Not applicable as employee rewards were not distributed in the form of shares.

4. If there is any discrepancy between the actual amount of rewards distributed to employees and directors (including number and dollar amount of shares distributed, as well as share price) and the recognized amount of rewards for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancies shall be stated.

- (1) Distribution of rewards to employees and directors in the previous fiscal year: There is no profit for the year 2023, therefore, no directors' and employees' remuneration will be distributed.

Unit: New Taiwan Dollars (NT\$)

Item	2023 Director and Employee Remuneration Distribution Plan		Discrepancy	Description of Reason for Discrepancy
	Approved by the Shareholders' Meeting via resolution on May 31, 2023	Approved by the Board of Directors' Meeting on March 7, 2023		
Remuneration of Directors	0	0	0	-
Remuneration of Employees	0	0	0	-

- (2) If there is any discrepancy between the actual amount and the recognized amount of remuneration for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancy should be noted: There is no discrepancy between the actual amount and the recognized amount of remuneration distributed.

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

## II. Issuance of Corporate Bonds

### (I) Unpaid Corporate Bonds:

March 31, 2025

Type of Corporate Bonds (Note 2)	2021-1 Unsecured Ordinary Corporate Bonds (Series A) (Note 5)	2021-1 Unsecured Ordinary Corporate Bonds (Series B) (Note 5)
Issue Date	June 23, 2021	June 23, 2021
Denomination	NT\$1 million	NT\$1 million
Issuance and Trading Locations (Note 3)	Taipei Exchange	Taipei Exchange
Issue Price	NT\$1 million	NT\$1 million
Total	NT\$1 billion	NT\$1 billion
Interest rate	0.63% per annum	0.73% per annum
Maturity	5 years Maturity Date: June 23, 2026	7 years Maturity Date: June 23, 2028
Guarantor	No	No
Trustee	Bank SinoPac Company Limited	Bank SinoPac Company Limited
Underwriter	Masterlink Securities Corporation	Masterlink Securities Corporation
Certified Lawyer	True Honesty International Law Offices Lawyer Kuo, Hui-Chi	True Honesty International Law Offices Lawyer Kuo, Hui-Chi
Certified Public Accountant	Deloitte & Touche CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Deloitte & Touche CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung
Repayment method	1/2 the capital shall be repaid in the fourth and fifth years from the date of issue	1/2 the capital shall be repaid in the sixth and seventh years from the date of issue
Outstanding principal balance	NT\$1 billion	NT\$1 billion
Terms of redemption or early repayment	N/A	N/A
Restrictions (Note 4)	No	No
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020
Additional rights	Amount of common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this Annual Report	N/A
	Issuance and Conversion (Swap or Subscription) Methods	No
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	N/A	N/A
Name of commissioned custodian of exchangeable underlying	N/A	N/A

## Funding Status



Type of Corporate Bonds (Note 2)	2021-2 Unsecured Ordinary Corporate Bonds Corporate Bond A (Note 5)	2021-2 Unsecured Ordinary Corporate Bonds Corporate Bond B (Note 5)	
Issue Date	October 26, 2021	October 26, 2021	
Denomination	NT\$1 million	NT\$1 million	
Issuance and Trading Locations (Note 3)	Taipei Exchange	Taipei Exchange	
Issue Price	NT\$1 million	NT\$1 million	
Total	NT\$700 million	NT\$1.3 billion	
Interest rate	0.63% per annum	0.77% per annum	
Maturity	5 years Maturity Date: October 26, 2026	7 years Maturity Date: October 26, 2028	
Guarantor	No	No	
Trustee	Bank SinoPac Company Limited	Bank SinoPac Company Limited	
Underwriter	Masterlink Securities Corporation	Masterlink Securities Corporation	
Certified Lawyer	True Honesty International Law Offices Lawyer Kuo, Hui-Chi	True Honesty International Law Offices Lawyer Kuo, Hui-Chi	
Certified Public Accountant	Deloitte & Touche CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Deloitte & Touche CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	
Repayment method	1/2 the capital shall be repaid in the fourth and fifth years from the date of issue	1/2 the capital shall be repaid in the sixth and seventh years from the date of issue	
Outstanding principal balance	NT\$700 million	NT\$1.3 billion	
Terms of redemption or early repayment	N/A	N/A	
Restrictions (Note 4)	No	No	
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020	
Additional rights	Amount of common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this Annual Report	N/A	N/A
	Issuance and Conversion (Swap or Subscription) Methods	No	No
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	N/A	N/A	
Name of commissioned custodian of exchangeable underlying	N/A	N/A	

Note 1. The issuance of corporate bonds includes public offering and private placement corporate bonds that are still under preparation. Public offering corporate bonds still under preparation refer to corporate bonds that have already been confirmed valid (approved) by the SFB, whereas private placement bonds still under preparation refer to corporate bonds that have already been approved by the Company's Board of Directors.

Note 2. Adjust the number of rows based on the number of issuance.

Note 3. To be filled as well if corporate bonds are issued overseas.

Note 4. Such as restrictions on the distribution of cash dividends, foreign investments or requirement for maintaining the asset ratio at a certain level.

Note 5. Private placement of corporate bonds shall be indicated in a clear manner.

Note 6. Information on corporate bond conversion, information on corporate bond swap, status of shelf registration for corporate bonds and information on equity warrant bonds shall be tabulated according to characteristics.

- (II) Corporate Bonds Still Under Preparation: None.
- (III) Information on the Conversion of Corporate Bonds: None.
- (IV) Information on Corporate Bond Swap: None.
- (V) Information on Shelf Registration for Corporate Bonds: None.
- (VI) Information on Equity Warrant Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Global Depository Receipts: None

V. Issuance of Employee Stock Options: None.

VI. New Restricted Employee Shares: None.

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

### VIII. Implementation of Capital Utilization Plan

(I) Content:

As of one quarter before the publication date of this annual report, previous issuance or private placement of marketable securities that have not been completed, or that have been completed but are yet to record any benefit within the past three fiscal years: None.

(II) Status of Implementation:

N/A.



## Chapter 4. Operations Overview - Consolidated Information

### I. Business Content:

#### (I) Scope of Business:

##### 1. Main purpose of the Company's businesses

- (1) Manufacture, process and sell polyethylene plastic raw materials (including ethylene vinyl acetate resin)
- (2) Manufacture, process and sell polyethylene plastic products (including ethylene vinyl acetate resin products)
- (3) Manufacture, process and sell ring block copolymer materials.
- (4) Manufacture, process and sell catalyzers and related chemicals required by the plastics industry.
- (5) Research and development of technologies in the plastics industry; the acquisition and sales of proprietary technologies and patents in the plastic industry, and licenses of such technologies and patents to others
- (6) Design, manufacture, process and sell plastic processing equipment.
- (7) General import/export trade businesses (except for those subject to license approval).
- (8) Businesses that are not prohibited or restricted by law, except for those subject to license approval.
- (9) Manufacture of plastic and its raw materials.
- (10) Manufacture plastic processed products and their required chemical products.
- (11) Manufacturing and sales of technical services (including design and installation) for chemical machinery equipment (including vinyl chloride monomer (VCM) plant equipment).
- (12) Manufacturing, storage, transport, sales, import and export, and resale of VCM.
- (13) Groundwater regulation business.
- (14) Production, import/export, storage, transportation, and sales of ethylene dichloride (EDC)
- (15) Manufacture and sales of degradable plastic materials.
- (16) Machinery wholesaling
- (17) Investment.
- (18) Trading of plastic raw materials.
- (19) Manufacturing and sales of polystyrene (GPS) resins and foaming polystyrene (EPS) resins.
- (20) Manufacture and sales of acrylonitrile-butadiene-styrene copolymer resin (ABS).
- (21) Manufacturing and sales of styrene-acrylonitrile copolymer resin (SAN).
- (22) Manufacture and sell plastic raw materials and processed products.
- (23) Manufacturing and sales of glass wool and related products.
- (24) Production and sales of cubic printing and related products.
- (25) E303020 noise and vibration control engineering.
- (26) E801010 interior decoration.
- (27) Manufacture and sell manganese-zinc and nickel-zinc soft ferrite powder, ferrite cores, carborundum powder and other components related to inductors.
- (28) Engage in venture capital investments in invested businesses
- (29) Business management and consulting services for invested businesses and other venture capital investments.
- (30) Electricity supply industry.
- (31) Distribution and contract processing services for the aforementioned products
- (32) Research, promotion, and related services for the above businesses

##### 2. Ratio

The revenue and proportion of the Company's main products are as follows:

Product Item	Proportion of Revenue (%)
Plastic Raw Materials	92
Electronic Materials	5
Other	3

### 3. The Company's current product items

- (1) Low-density polyethylene (LDPE)
- (2) Ethylene vinyl acetate resin (EVA)
- (3) High-density polyethylene (HDPE)
- (4) Linear low density polyethylene (LLDPE)
- (5) Cyclic Block Copolymer (CBC)
- (6) Vinyl chloride monomer
- (7) PVC powder, plastic pellets and chemicals
- (8) PVC construction products: Pipes, pipe fittings, door panels and anti-corrosion protection panels
- (9) Plastic sheets: Soft plastic sheets, rigid plastic sheets, semi-rigid plastic sheets, adhesive plastic sheets and print plastic sheets.
- (10) Rubber and soft rubber leather
- (11) Expanded polystyrene (EPS)
- (12) Acrylonitrile-butadiene-styrene copolymer resin (ABS)
- (13) General purpose polystyrene (GPS)
- (14) Glass wool products
- (15) Impact-resistant polystyrene (IPS)
- (16) Mn-Zn soft ferrite powder
- (17) Ni-Zn soft ferrite powder
- (18) Manganese-zinc (Mn-Zn) soft ferrite cores (hereinafter referred to as "Mn-Zn cores")
- (19) Nickel-zinc (Ni-Zn) soft ferrite powder (hereinafter referred to as "Ni-Zn cores")
- (20) High Purity SiC powder

### 4. New products development

- (1) Development of new optical-grade applied materials - Cyclic block copolymer
- (2) High-speed laminating film-grade EVA products
- (3) High-viscosity pre-coating film-grade EVA products
- (4) High-performance foam-grade ethylene-vinyl acetate (EVA) resin products
- (5) Specialty cable-grade EVA resin products
- (6) Hot-melt adhesive-grade EVA resin products
- (7) Other specialty-grade EVA resin products
- (8) Residual hydrogen energy
- (9) Utilizing 30L PVC rejoining experimental tank to carry out the analysis of each by-product counterpart.
- (10) 30L test tank test tank new formula
- (11) AI integration in #7 dryer process
- (12) Scratch-resistant plastic sheets for TPO automobile pedal pads
- (13) PVC/TPE paste cloth without solvent development
- (14) PP equipment extensible cover plastic sheets
- (15) TPO fully recycled rubber for footwear
- (16) GRS-certified TPU foam material
- (17) Antiviral rubber (medical mattresses)
- (18) TPO materials for baby safety seats
- (19) TPO cutting boards
- (20) TPE leather for car seats
- (21) E-grade waterproof membrane/pool liner
- (22) POE anti-slip materials
- (23) transparent leather/
- (24) Solvent-free surface treatment leather for PVC/TPE
- (25) TPO antistatic transparent membrane
- (26) Soft leather for tour bus seating and interior
- (27) Development of Casting Furniture Replicas Through the Use of Soft Leather
- (28) Development of Smooth Leather for Marine Vehicles
- (29) The development of motorcycle seats with cooling skin



- (30) PVC Wire Harness Tape Cloth
- (31) Silicon Dispenser /Laminating Products
- (32) Acrylonitrile-butadiene-styrene polymer (ABS) high gloss material development
- (33) Expanded polystyrene (EPS) rapid prototyping grade material development
- (34) Development of design application frequency up to 10MHz material and iron core
- (35) Development of 3D/4D automotive sensor iron cores
- (36) Development of power materials and iron cores for electric vehicle charger boxes
- (37) High flux/high Curie temperature choke materials and iron cores for automotive applications
- (38) Development of CAN bus materials and iron cores for automotive applications
- (39) Development of automotive airbag connector materials and iron cores
- (40) Development of composite iron core lamination technology
- (41) Development of power supply design high temperature current resistant material and iron cores
- (42) High-frequency low-loss GaN/SiC server applications core material design and development
- (43) Development of high-frequency, high-magnetic-flux ( $\Delta B > 120\text{mT}$ ) power materials and iron cores
- (44) SiC ceramic powder and carrier disk development

## (II) Industry Overview:

### 1. Current state and development of the industry

Since the start-up of the Formosa Plastics Sixth Naphtha Cracker Complex, the domestic production capacity of PE/EVA in Taiwan has increased year by year and has stabilized in recent years. Currently, there are three domestic PE/EVA producers: the Company (including USI Corporation and APC) and Formosa Plastics Corporation. With each of USI and APC commissioning a new EVA production line in 2016, the total domestic production in 2024 reached 896,000 metric tons, comprising 340,000 metric tons of HDPE, 100,000 metric tons of LLDPE, and 455,000 metric tons of LDPE (including EVA). In terms of domestic demand in 2024, the total demand for HDPE was 251,000 metric tons, LLDPE was 192,000 metric tons, and LDPE (including EVA) was 140,000 metric tons. Due to relatively low import tariffs and competitive pricing, imported materials still account for a significant share of the market.

In 2024, the Chinese petrochemical industry experienced significant overcapacity, resulting in weak overall market demand. While downstream finished product prices declined sharply, upstream raw material prices remained firm, creating substantial operational pressure for TVCM due to this dual squeeze. Raw Materials: The price of EDC (ethylene dichloride) remained weak due to continued sluggish global demand for caustic soda. Caustic soda producers maintained low operating rates, limiting EDC supply. As a result, the reduced EDC supply provided price support. Additionally, frequent reports of unplanned shutdowns and active trading by traders helped stabilize EDC prices. Unlike the weak performance of PVC and VCM, EDC prices remained relatively stable. Consequently, the price spread between VCM and EDC narrowed to its lowest level since 2006. In the first half of the year, ethylene prices were supported by high crude oil prices driven by geopolitical conflicts, with Brent crude rising above \$90/MT, pushing up naphtha prices. However, weak global plastic demand led to insufficient spreads for ethylene and its derivatives. Despite the expansion of China's chemical industry chain and increased supply, domestic demand remained weak. As a result, the ethylene price spread failed to widen.

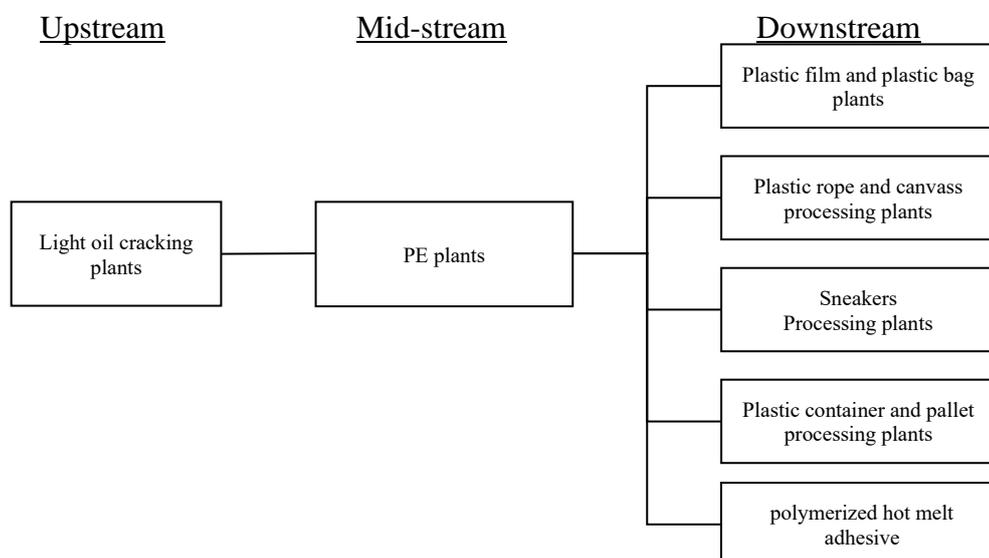
There are four manufacturers of ABS/GPS/EPS in Taiwan, and the domestic demand only accounts for 10% of the annual production of each product, while the rest of the products are exported to maintain normal operation. Because of cost competitiveness and the response to competition from U.S.-China trade, downstream processing plants are slowly shifting from Mainland China to Southeast Asian countries to set up factories. In addition, India, the Middle East, Africa, and Central and South America are emerging markets with relative potential for demand growth. The EPS production capacity in Mainland China significantly exceeds market demand. According to 2024 statistics, Mainland China's annual EPS production capacity was approximately 9.3 million tons, but the operating rate was only around 50%. From an application perspective, EPS demand in China is primarily divided into four segments: appliance packaging, fruit and vegetable

boxes, ceramic packaging, and panels—with appliance packaging and construction panels being the dominant uses. From a regional market perspective, demand is mainly concentrated in South China (Guangdong), East China (Jiangsu and Zhejiang), North China (Shanxi, Hebei, and Shandong), and Northeast China (Heilongjiang, Jilin, and Liaoning). Appliance packaging is predominant in South China, Hunan-Hubei, and East China, while construction panels are the main application in North and Northeast China. Fruit and vegetable boxes and ceramic packaging are mainly used in Yunnan and Guangdong. With advancements in the Chinese government's policy for expanding the domestic market, the electrical appliance production sites in South China and East China have gradually relocated inland along the Yangtze river basin. The relocation is exemplified in the emerging appliance manufacturing bases in Hefei, Wuhan, Chongqing, and Chengdu. Demand in the North China and Northeast China regions, which has been affected by the severe overcapacity has led to the deterioration of the competitive environment in the regional market. Moreover, the increasingly stringent environmental protection policies in mainland have led to early closure or relocation of some EPS molding plants.

In respect to ferrite powder and iron cores, such materials are mainly applied in the production of coil inductors which is a type of inductive material of passive components. Inductors are mainly used for preventing electromagnetic interference, filtering noise in electric current and power conversion. In addition to the aforementioned functions, inductors can also be used along with resistors and capacitors to demonstrate filtering functions. For example, inductors can be used as upstream material for filters, chokes, ballasts, switch power supplies, various transformers (e.g. inverters, converters, inductors and telecoms), and can be further applied to common electronic products such as (wireless) chargers, cloud servers, desktop computers, notebook computers, liquid crystal displays, LED TVs, smartphones, automotive electronics and communication network devices. Because inductors can stabilize electric current, remove noise and suppress electromagnetic radiation, inductors are widely used in electronic digital and consumer products. In 2024, despite continued sluggish global demand for consumer electronics such as smartphones and laptops, inventory levels in the cloud server supply chain were largely cleared. Notably, growing demand for AI servers and AI-powered terminal devices drove a significant increase in the need for passive components, which saw an annual growth rate of 11.1%.

In the silicon carbide powder segment, silicon carbide is a multifunctional semiconductor material with excellent high-voltage, high-power, high-temperature, and high-frequency characteristics. This gives it great potential for use in applications such as electric vehicles, electric vehicle charging piles, and green energy equipment, and it is expected to play a greater role in future technological and industrial fields. Its superior properties—including thermal stability, high power density, and high electron mobility—not only enhance energy efficiency and performance but also position it as a critical material across a range of applications, from electric vehicles and power conversion systems to renewable energy technologies.

## 2. The correlation among the upstream, midstream and downstream of the industry





## Operations Overview

The Company has maintained a good upstream and downstream relationship with CPC Corporation, Taiwan, and they have complemented each other over a long period. In the future, the Company will actively seek to establish a closer partnership with CPC Corporation, Taiwan. There are three PE manufacturers in Taiwan and each of these manufacturers has its own supply and sales system. Nevertheless, the Company continuously strives for excellence by improving product quality and production volume, thereby being able to provide high-quality products to a large number of downstream processing companies which subsequently enhance their product processing standards and lead to cooperation with the Company in market development.

Ethylene dichloride (EDC), the raw material for VCM in the upstream, is supplied by Formosa Plastics Corporation and overseas manufacturers. Ethylene is supplied by CPC Corporation, Taiwan and overseas manufacturers. while liquid chlorine is supplied by Taiwan Chlorine Industries Ltd. EDC is cracked to produce VCM and hydrochloric acid gas. Ethylene, oxygen and hydrochloric acid produce EDC via oxychlorination. VCM produces PVC resin via polymerization, which is then supplied to secondary plastic processing plants in Taiwan in order to produce a series of plastic products such as plastic leather, plastic sheets, plastic pipes and pellets.

The primary raw material for GPS and EPS is styrene monomer (SM) while that for ABS includes SM, acrylonitrile (AN), and butadiene (BD). SM producers in Taiwan include Taiwan Styrene Monomer Corporation, Formosa Chemicals & Fibre Corporation, and Grand Pacific Petrochemical Corporation. They have a combined output of approximately 2 million tons (annual demand is approximately 1.85 million tons in Taiwan). SM is traded in large quantities in international trade, and the transportation conditions are more convenient. Therefore, it is relatively easy to obtain. In addition to making purchases from domestic sources, some of the SM required in Taiwan is purchased from foreign sources on a spot basis. The total annual production capacity of SM producers in Mainland China is currently about 22.00 million tons. There have been expansions and new plants since 2020, resulting in an oversupply, and therefore SM producers in Mainland China seek to export SMs. The main raw material SM of EPS in Zhongshan Plant of our company is mainly obtained from domestic SM Plants of mainland China, and we can also purchase SM from overseas when necessary. AN producers in Taiwan include China Petrochemical Development Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 0.5 million tons, sufficient for all domestic demand (annual demand is approximately 0.38 million tons in Taiwan). AN is toxic and its transportation is governed by numerous regulations and restrictions. It is therefore not favored for long-distance transportation. The AN required by the Company is mainly from domestic sources. BD producers in Taiwan include CPC Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 0.6 million tons, which equals the overall domestic demand of 0.6 million tons. However, companies sometimes import the product during annual maintenance shutdowns. The main users are the rubber industry and ABS plants. The Company can obtain sufficient BD from domestic sources. The upstream materials for ABS/PS/EPS are crude oil derivatives and prices usually fluctuate along with fluctuations in oil prices. Reference prices of raw materials for SM/AN/BD are available globally for buyers and sellers. The upstream materials for ABS/ GPS/EPS are crude oil derivatives and prices usually fluctuate along with fluctuations in oil prices. Reference prices of raw materials for SM/AN/BD are available globally for buyers and sellers. Downstream customers are mainly small and medium enterprises with a generally low processing scale. The design of molds and craftsmanship also differ based on product design provided by final customers. ABS/GPS/EPS plants have to meet the downstream customers' needs and provide technical services and material recommendations upon request.

In respect to magnetic iron oxide powder and cores:

Upstream	Mid-stream	Downstream	Product Application
Iron oxide	Manganese-zinc ferrite core	Upstream component for power transformers, load coils, choke coils and degaussing coils	Digital products: Power supplies, monitors, motherboards, hard drives, optical drives, printers, scanners and other computer peripheral devices
Manganese oxide	Nickel-zinc ferrite core		Telecommunication products: Transmission devices such as smartphones, telephones, fax machines, switches and servers, as well as end user devices
Zinc oxide	Manganese-zinc ferrite powder		Consumer electronics: tablets, digital cameras, game consoles, CD/DVD players, LED TV, audio, etc.
Nickel oxide	Nickel-zinc ferrite powder		Others: Automotive electronics, solar energy, wireless chargers etc.
Copper oxide			

## Siliconware powder :

Upstream	Mid-stream	Downstream	Product Application
N-type Silicon Carbide	Wafer Substrate	IC Design	Telecommunications, Communication Equipment, Electric Vehicle
Semi-Insulated Silicon Carbide	Epitaxial	IDM Foundry	Charging Stations, Vehicle Chargers, etc.
			Continuous expansion centered on the automotive sector
			High-power power supplies and network communication equipment

### 3. Product development trends and competition

In terms of domestic sales, there are currently three PE and EVA manufacturers in Taiwan, each having established its own supply and sales system over the years. However, due to relatively low import tariffs, imported LDPE, HDPE, and LLDPE still account for a considerable proportion of the market. In terms of exports, Taiwan has long been a major exporter of petrochemical products such as PE and EVA, with main export destinations including Mainland China, Southeast Asia, and South Asia. The main competitors, apart from products shipped from the Middle East and certain parts of Europe and the Americas, include manufacturers in Japan, South Korea, Thailand, Singapore, Malaysia, India, Indonesia, and Mainland China. In recent years, China has actively expanded its petrochemical production capacity, significantly increasing its self-sufficiency in PE and EVA. Particularly for EVA, the supply-demand dynamics have gradually shifted since new production capacities came online in Q1 last year, and market prices have been affected by domestic price competition in China, which in turn has impacted market prices in other parts of Asia. In addition, countries such as those in ASEAN, China, and India have successively implemented differentiated tariff policies. Meanwhile, South Korea, our main competitor, has taken a significant lead in trade negotiations, greatly affecting the competitiveness of Taiwan's petrochemical products. In response, the Company has in recent years continued to focus on differentiated market development to avoid price competition in generic specifications, while actively enhancing international marketing capabilities, targeting markets such as Russia, Pakistan, Vietnam, Cambodia, Myanmar, and Central and South America to mitigate the risks of over concentration in specific markets.

In the current PVC industry in Taiwan, the annual production volume of VCM at the Company and Formosa Plastics Corporation is 485 thousand tons and 1.644 million tons respectively. The annual production volume of PVC resin at the Company, Formosa Plastics Corporation and Ocean Plastics Co., Ltd. is 0.45 million tons, 1.785 million tons and 0.15 million tons respectively. PVC processed products consist mainly of plastic sheets, PVC leather and construction products. In 2024, geopolitical tensions (Russia-Ukraine war, Israel-Hamas conflict/Red Sea incident, and major national elections) and extreme climate events continued to impact the global economy. Major economies such as Mainland China saw domestic demand and GDP growth dragged down by the real estate sector, while the U.S. faced high inflation and unemployment, resulting in slow interest rate cuts and weak economic data. Domestically in 2024, a series of unfavorable factors such as the central bank's gradual rate hikes, tightened lending, and the implementation of the seventh wave of selective credit control measures led to a significant downturn in the construction sector from the first half of the year, with demand for downstream consumer products such as building materials and synthetic leather also weakening accordingly. Although PVC prices saw a brief rebound in the second quarter due to rising ocean freight rates, the release of new production capacity in China led to persistently high operating rates and record-high inventory levels. Additionally, the U.S. 30-year mortgage rate increased, with new housing starts down 10.4% year-on-year. The excess PVC capacity in China and the U.S. was exported in large volumes to ease inventory pressure, further depressing PVC market prices across regions globally. Throughout the year, PVC prices remained at historically low levels. PVC manufacturers in Northeast and Southeast Asia experienced declines in both profitability and sales, responding by reducing operating rates or halting production. In 2024, PVC plant operations focused on upgrading equipment, improving energy efficiency, and strictly controlling upstream costs and inventory risks. Sales strategies included not only price and volume controls but also channel development and market diversification, along with strengthening customer relationship management to enhance market share.

ABS resin are widely used in automotive engineering, electronics, electrical appliances,



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equipment and building materials, due to the product's synthesized feature of resistance to impact, heat, low temperature, and chemical erosion, in addition to its modability and surface gloss. It is a type of polymer material between general-purpose plastic and engineering plastic. In China, downstream ABS consumption is primarily concentrated in the home appliance sector, which accounts for over 60%. Within this sector, the highest demand for ABS comes from air conditioners, vacuum cleaners, refrigerators, and washing machines. In 2024, the overall ABS market continued to be impacted by high inflation, uncertainty in U.S. trade policies, rising ocean freight rates, and geopolitical tensions. Additionally, competitive pressures arose from surplus ABS production capacity in Mainland China. However, stable demand in South Asian markets such as India and Pakistan helped offset the market gap. Furthermore, the cancellation of ECFA preferential tariffs by Mainland China in mid-year significantly affected SAN sales, prompting active market diversification efforts to boost sales volume. The operating rate remained above 80%, with sales volume increasing by 11% compared to 2023. GPS is widely used plastic whose market value mainly fluctuates with the price of its raw material, SM. Due to the advantage of vertical integration, Taiwan's largest GPS manufacturer, Formosa Chemicals & Fibre Corporation, has a lower GPS production cost than other manufacturers, and thus it can easily dominate the market. All other domestic manufacturers (including the Company) purchase SM to produce GPS, and the competitiveness is greatly affected by the price of SM. The Company is the only manufacturer in Asia who adopts NOVA manufacturing technology in the production of GPS. Featuring the character of low free monomer, the quality of the Company's product is competitive in the market and is mainly distributed in Taiwan, Southeast Asia, and Mainland China. GPS is mainly used in disposable tableware and food packaging, a market characterized by stable demand growth. Despite ongoing efforts in 2024 to expand sales coverage in Southeast Asia, the Middle East, Africa, the Americas, and Oceania, global economic slowdown led to weak demand, resulting in a slight sales decline of approximately 3% compared to 2023. The Company continues to develop markets outside of Mainland China and Hong Kong to maintain full-capacity production and safeguard profitability. Competition in the future market will continue to focus on the impact of the new GPS production capacity in China. The demand for EPS packaging in the domestic market has shrunk significantly due to the gradual relocation of large-scale processing factories. Meanwhile, Taiwan is located in the subtropical zone, and EPS is seldom used as a building material to keep the temperature in construction, therefore, so the four EPS manufacturers in Taiwan currently have about 90% of their EPS products. The Company's EPS plant in Cianjhen has continued to expand its sales reach, achieving stable customer bases in Southeast Asia, Africa, the Middle East, Central and South America, and South Asia. In 2024, sales volume increased by approximately 5% compared to 2023.

For ferrite powder and cores, due to rapid development of 3C products, downstream manufacturers continuously launch new products in response to changes in market demand. With increasingly enhanced functions of electronic products and the polarized development of large-sized transformers and micro-miniature inductors, it is necessary to design product characteristics such as materials, formulas, impedances, dimensions and appearances according to customers' requirements for product functions, materials and shapes, as well as follow the trend of developing complicated products with wide temperature range, high frequency, resistance to high current and micro-miniature size. The Company's products are mainly sold in Mainland China. Currently, the Company's principal competitors are the iron core manufacturers in Mainland China and Japan. Since there are many competitors in this industry, and the price competition is fierce, the Company has established a competitive advantage by enhancing the added value of its products, improving the manufacturing process to reduce production costs, and bettering the quality of its products in a comprehensive fashion for effective market differentiation. In addition, establish all-around support service capabilities in line with customers' product development needs, shape the Company's competitive advantage over other competitors, as well as jointly develop future products according to development trends in order to quickly grasp market developments and enhance competitiveness.

### (III) Technology and Research and Development:

1. In 2024, the research and development expenses amounted to NT\$517,983 thousand.

#### 2. Technologies and/or products successfully developed

- (1) New specifications of ethylene vinyl acetate resin
- (2) Specification Development of High mobility HDPE
- (3) Development of the application of high-performance shoes made of foaming material
- (4) Production technology for the large batch production of V18161 low crystal point coating-grade EVA product
- (5) Production technologies for low crystallization point coating-grade high-speed laminating film EVA product V18251
- (6) Development of hot-melt adhesive grade EVA products V08085, V19150, and V19400
- (7) Development of thermal insulation coatings applications
- (8) C5VH-grade Low VOCs corrosion-resistant coatings
- (9) Development of CBC AR/VR lens applications
- (10) GRS Global Recycling Standard Certification
- (11) AI integration into #7 dryer process.
- (12) Scratch-resistant plastic sheets for TPO automobile pedal pads
- (13) Development of Solvent-Free PVC Paste Clothe
- (14) PP equipment extensible cover plastic sheets
- (15) TPO fully recycled rubber for footwear
- (16) GRS-certified TPU foam material
- (17) Antiviral adhesive (medical bed applications)
- (18) TPO materials for baby safety seats
- (19) TPO cutting boards
- (20) TPE leather for car seats
- (21) Silicon Dispenser /
- (22) POE waterproof membranes/pool cloths
- (23) TPO anti-slip materials
- (24) Soft leather for tour bus seating and interior
- (25) PVC Wire Harness Tape Cloth
- (26) Development of a yellowing-resistant formula for Acrylonitrile-Butadiene-Styrene (ABS) Silo storage.
- (27) TAIECOR recycling content ISO-14021 process/product certification
- (28) Optimization of foamed polystyrene (EPS) product formula to enhance surface hardness by 45%, improve storage stability by 10%, and increase molding efficiency by 15%.
- (29) Development of composite iron core lamination technology
- (30) Development of SiC sintered ceramic powder and forming sintering technology
- (31) Raw mould engraving technology for all sizes of surface development
- (32) P65 material power chokes

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

#### 1. Short-term business development plans:

Short-Term Business Plan: Considering the long-term supply shortage of ethylene under the CPC contract, the Company has established an ethylene storage tank at the Kaohsiung International Terminal, expected to be completed and operational in the first half of this year. This will not only improve ethylene scheduling flexibility but also facilitate future procurement of low-cost ethylene sources, thereby reducing production costs. Additionally, the Company's new material, CBC (Cyclic



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Block Copolymer), known for its excellent optical properties and UV resistance, will be developed in collaboration with internationally renowned brands. It will be applied in products such as sterilizing water pitchers. For PE and EVA products, the Company will continue to strengthen its domestic LDPE, HDPE, and LLDPE markets while actively expanding into non-mainland markets in Southeast Asia, India, Mexico, and Russia. The Company will also focus on increasing production and sales of coated LDPE and EVA, developing high-VA EVA for high-performance foaming and special cables to mitigate the risk of price competition in the general-grade EVA segment.

The Company plans to expand VCM raw material and product storage, rigorously manage production and sales to stabilize high output and quality, and actively seek stable raw material supply sources. This will help reduce losses and enhance its position during market downturns. The Company actively collaborates with key customers of PVC powder products to establish mutually beneficial partnerships. In 2024, the domestic sales volume and market share remained stable. In 2025, the Company will continue to develop new customers and high-value industries, and actively participate in domestic public projects in collaboration with downstream building material customers to ensure stable PVC powder supply. The Company will flexibly utilize the diversified production and division of labor between the Toufen and Linyuan plants, targeting different markets and customer groups. It will also select customers with good credit, strengthen sales channels in the main market, and increase the proportion of direct manufacturers to balance the fluctuations of the market's peak and off-peak seasons, eliminating bottlenecks caused by excessive order concentration with traders and low-price competition from Mainland China. In 2024, compared to 2023, the demand for industrial chemicals in the domestic market grew by 3%. The price of Asian liquid caustic soda increased moderately in the second half of the year due to the rise in alumina production rates in China and Southeast Asia. In 2025, the Company will continue to strengthen its cooperation with major customers such as TSMC, and enhance sales channel relationships. The Company will improve production and sales efficiency, ensuring stable supply and enhancing service quality to customers, thereby increasing sales volume. Regarding liquid caustic soda, 45% of the sales face increased import quantities and price competition. The sales strategy focuses on continuously strengthening relationships with core, nearby customers, maintaining flexible pricing to secure market share. The PVC plastic products part optimized the pipe product mix, maintained the stability and increased the market share of construction pipe, and actively participated in the supply of public works to increase the profit by reflecting the raw material cost. Promote the application of functional products of environmental protection materials, enhance product added value and brand image, and pursue material innovation to increase sales and profits. On top of that, advertisements on media, website broadcasting design, and participation of various major exhibitions are made to enhance product awareness and expand business opportunities for the PVC leather / sheet products. The Company will also form strategic alliances with other industries to develop high-function products, strengthening the supply advantages for various types of leather. It will expand its product range and promote it across different industries, enhancing product competitiveness. The formula of the FORBID stain-resistant product is upgraded to improve the cleaning effect. A water-based formula is developed to improve the fog surface feel and create more market opportunities. The business of leather for agricultural equipment and seats in North America has been stable. Continuously develop new products to win annual orders from major North American trolley chair manufacturers. The Company will establish a modular product promotion strategy to expand direct customer sales performance. Beyond the OEM truck market, it will actively develop electric vehicle seats, public transport fire-resistant and smoke-suppressant leather, and interior leather, broadening the product application scope. The anti-mold formula for plastic leather used in ships is upgraded to meet the REACH requirements. It is expected that the UV-resistant formulation of marine leather will be upgraded at the same time as it is sold to the European market, so as to meet the demand of the OEM marine leather market in accordance with the U.S. regulations. In line with the requirements of Prop#65 regulations in the North American market, the formulation and related labeling are improved, and the market operation is expected to be more sound. The Company will enhance product greening and recycling (complying with the Global Recycled Standard - GRS), continuously improving environmentally friendly materials such as TPO and TPU. These materials will primarily be promoted for use in furniture, marine, automotive and motorcycle seats, car mats, exhaust ducts, lightweight anti-stain luggage, digital printing motorcycle seats, strollers, antiviral medical bed materials, and footwear, all targeting environmentally-

conscious markets. The Company will introduce cooling rubber, light-transmitting rubber, and antiviral products, promoting them in markets for furniture, interior decoration, marine, automotive/motorcycle applications, door panels, and footwear. Innovations in materials and environmental issues have garnered market attention and enhanced the brand and product application effectiveness. The Company will establish a B2C sales model to promote high-value-added new products. It will develop new market channels for automotive adhesive fabric in India to enhance automotive adhesive fabric sales in 2025. The Company plans to participate in trade shows and continue to leverage e-commerce and online platforms to capture market opportunities.

To maximize ABS production and sales, the Company will continue to increase the proportion of direct customers and develop markets outside Mainland China and Hong Kong. In the production of ABS, new Toyo SAN manufacturing process is set in place, and improvement in the background color and quality of the ABS product has also been seen. In the future, we will make good use of this advantage and expand the market application. GPS also needs to continue to explore markets outside mainland China and Hong Kong, while leveraging NOVA's quality advantages in the food packaging market for continued growth opportunities. The Company's former plant EPS still needs to increase the global sales layout, to ensure that the full production of the target. The Company will realize the integrated supply chain management to maximize production and sales and maintain the inventory of raw materials and finished products at a low level. Strengthen business development capabilities, develop markets with low market share and product market applications, expand sales base customers, and stabilize market sales. The Company will expand functionality and flexible organization and actively expand export sales, particularly develop the market in emerging and developing countries. In the South China market, EPS continues to improve and stabilize the quality of fast materials and extra light materials, and expand market sales. Continue to strengthen the core market (Yunnan, Guangdong province) and continue to develop Guangxi, Fujian, Hubei and other markets. Make use of the complementarity of market demand specifications, balance sales specifications, continue to improve and expand technical customer service capabilities and scope, increase customer loyalty. The Company will improve the pellet size and concentration to meet market demand.

In terms of ferrite powder and cores, the Company will continue to develop new materials, new technology and new products, and integrate the cost advantage of factories in Mainland China to increase competitiveness and market share. Sales offices will be established in Taiwan, Malaysia, Southern China, Eastern China, and Chengdu, with additional service points in the United States. The Company will continue to strengthen services to downstream customers by maintaining proximity to customer groups, ensuring quick response to customer needs. The Company will also work in collaboration with international major manufacturers to implement the Design-in/Spec-in process and recognize their new product designs. Product portfolio will also be adjusted in order to increase profitability.

For silicon carbide powder, the Taoyuan plant will continue to expand production capacity to meet the rapid growth of the market. Expansion of the Malaysian production line to avoid geopolitical factors affecting the progress of product recognition.

## 2. Long-term business development plans

In the long-term business plan for PE/EVA, the Company will leverage the strengths of both sides of the Taiwan Strait's EVA production lines. The smaller, specialized Taiwanese production lines will focus on differentiated, high-value products, while utilizing the Gulei EVA capacity to supply solar panel customers in Mainland China. The Company will continue to deepen its presence in the foam and wire & cable markets. Through comprehensive product positioning and market recognition in the EVA sector, the Company aims to enhance brand reputation and market competitiveness. In recent years, environmental protection, carbon reduction, waste reduction, and sustainable business practices have become increasingly important. The Company actively aligns with government energy transformation initiatives, invests in green electricity, and continuously improves water-saving, energy-saving, and carbon-reduction processes. In terms of product applications, the Company works with well-known brand customers to promote carbon balancing and waste-recycling resin products, integrating environmental sustainability and innovation to achieve mutual prosperity between the Company and the environment.



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Despite the challenging petrochemical industry market and the overall environmental impact making a short-term V-shaped recovery unlikely, the Company's VCM operations have begun to improve in terms of safety, environmental protection, and process management. The Company continues to optimize energy utilization and improve management efficiency. Unlike last year's rapid decline in finished product prices, this year, both raw material and finished product prices remain relatively low. With the Company's steady production and sales management, operational performance is expected to outperform past results once the market stabilizes. The Company will enhance differentiation in PVC resin product processing and continue to expand selling for special specifications. The Company will obtain the BIS quality certification and ADD low tax rate for the Indian market, enhancing its competitive advantage in India and Bangladesh. The Company will fully utilize its existing 100% chemical production capacity, with the new hydrochloric acid furnace helping to eliminate bottlenecks in output, improve product quality, and facilitate product upgrades. This will establish a solid foundation for future chemical production expansion. The Company will enhance research on processing technologies for PVC plastic products, and improve equipment and its environment in order to produce differentiated products, thereby segmenting the increasingly competitive traditional product market. The Company will improve the production capacity and raw material formula of PVC plastic product machines, develop high value-added products, and expand the production capacity of professional products to increase the market share. The PVC products will continuously be promoted in regions with high economic growth potential, such as Southeast Asia, South Asia, and South America. The promoted product portfolio includes SRT anti-pollution leather, cooling leather, light-transmitting leather, automotive leather, as well as stationery, furniture laminate decoration, sinks, plastic sheets, PVC leather, and other products. The Company will continue to develop popular embossed patterns and color combinations for PVC plastic products, while collaborating with industry partners to create new products, expanding its product portfolio and facilitating customer base development. In line with the updated environmental protection regulations, the Company will continue to adjust the formula and various supporting measures for PVC plastic products, and optimize the equipment in order to enhance the value of the products. The Company will continue to develop and promote environmentally friendly materials for PVC plastic products to the markets ranging from footwear, automotive, furniture, marine to flooring products. Efforts will be made to reduce the production costs of eco-friendly materials and apply for patents or trademarks to protect intellectual property, thereby enhancing market competitiveness and product acceptance. The Company will continue to monitor geopolitical developments in the Middle East, Sino-U.S. political and economic relations, technological competition, and the progress of the Russia-Ukraine war. It anticipates a slow global economic recovery in 2025 and the escalation of trade protectionism, paying close attention to production and sales trends stemming from the shifting of production bases downstream. The production process of PVC plastic products complies with government ESG governance and environmental friendliness, focusing on carbon reduction and recycling. The carbon footprint of export raw materials, key plastic sheets and PVC leather products, as well as domestic building materials and other PVC plastic products, will be assessed to enhance brand competitiveness.

The Company will collect trends in industry material selection, particularly for ABS/PS, and develop suitable product materials. With the improvement of physical properties of its products, the Company will enhance its market share in the "high-quality, high-priced" market segment. The Company will increase its market share in overseas emerging markets.

Resources of the Company will be integrated to continuously make development in the ferrite powder and iron core products as well as new material business lines. The Company will also acquire potential customers and develop new sales bases so as to increase market share. On the other hand, the Company will continue to nurture international marketing talents, set up overseas sales offices, and keep abreast of information related to international markets in order to achieve the goal of internationalization.

## II. Overview of Market and Production and Marketing:

### (I) Market Analysis:

#### 1. Sales regions and market share for major products

Domestic polyethylene (PE) plastic raw materials are used by USI Corporation, APC, and Formosa Plastics Corporation to manufacture low-density polyethylene (LDPE) and ethylene vinyl acetate (EVA). High-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE) are manufactured by both USI Corporation and Formosa Plastics Corporation as well. USI Corporation's PE / EVA sales account for 37% of the total domestic sales, where its PE / EVA exports account for 63%. APC's PE/EVA sales in the domestic market account for 25% of total, while 75% of the sales are originated from export. USI exports 34% of its orders to Hong Kong and Mainland China, while APC exports 55% of its orders to these regions. Among all the plastic materials exported overseas, ethylene vinyl acetate (EVA) is the most important item, followed by low-density polyethylene (LDPE) and linear low-density polyethylene (LLDPE). Among all the plastic materials exported overseas, ethylene vinyl acetate (EVA) is the most important item, followed by low-density polyethylene (LDPE) and linear low-density polyethylene (LLDPE). USI's low density polyethylene (LDPE) accounts for about 2.4% of the domestic market, while the rest is supplied by APC and imports. Of the total sales volume of ethylene vinyl acetate (EVA) in the domestic market, sales by USI account for 41%, whereas 34% were sold by APC and Formosa Plastics Corporation, and the remaining 25% are from import. In view of high-density polyethylene (HDPE), 15% of domestic sales are from USI, and the Company's linear low-density polyethylene (LLDPE) accounts for 3% of the total market share. The rest is supplied by Formosa Plastics Corporation and import. Since the total domestic production volume has exceeded the demand, the Company strives to increase export sales in an attempt to absorb excess production and achieve the balance between production and sales.

For VCM, the ratio of domestic sales to export sales and self-use products is approximately 8:0:92. For PVC powder, the ratio of domestic sales to exports to personal use is 14 : 77 : 9. The main export regions include Bangladesh, India, Southeast Asia, the Middle East, South America, and Africa. Chemical products are sold mainly to Hsinchu Science Park, Central Taiwan Science Park and northern regions, accounting for 70% of total sales. The main client for these products are electronics and petrochemical industries. The Company's market share in the domestic market is approximately 3% for liquid caustic soda and approximately 16 to 18% for hydrochloric acid and liquid bleach. The PVC plastic product portfolio consists of: (1) building products: mainly sold domestically. Domestic market share: approximately 18% for PVC pipes and a stable market share in PVC door panels. (2) Plastic sheets: The ratio of domestic sales to exports is 54:46 and the Company's market share in the domestic market is approximately 21%. These products are exported mainly to the Americas, Europe, Australia, South Africa, Russia, Japan, Vietnam, Bangladesh and Southeast Asia. (3) PVC leather: The ratio of domestic sales to exports is 34:63, while its market share in the domestic market is approximately 28%. These products are exported mainly to North America, Europe, Australia, Mainland China, Malaysia and India.

ABS/PS is primarily exported, accounting for approximately 85% of sales, with export markets mainly in Southeast Asia, South Asia, Central and South America, North America, and Africa. The expansion of overseas markets and the increase in sales proportions will contribute to the goal of market diversification and risk mitigation. The percentage of sales in the domestic market is as follows: 11% for ABS / PS and 65% for glass wool products. In addition, EPS products produced in the Company's plants located in Mainland China are basically all sold within Mainland China.

In view of ferrite powder and iron cores, the domestic demand for inductor is around 12% to 15% of the total domestic demand for passive components; therefore The estimated market share of the Company's ferrite powder and iron cores is about 2% to 4%. The siliconware powder segment is initially estimated to account for 15% of the global market.



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

Since the Company added two production lines for PE and EVA products in 2016, there has been no increase in domestic production capacity in recent years, and there are no plans for additional capacity expansion at the moment. In contrast, China has significantly increased its petrochemical production capacity in recent years, leading to a surplus of various plastic products, including PE and EVA. Taking EVA as an example, although the average demand growth rate for EVA in China from 2019 to 2023 exceeded 10%, after an additional 500,000 tons of production capacity in 2024, Mainland China's EVA self-sufficiency rate has greatly increased to around 78%. The apparent demand has shrunk for the first time due to inventory reduction across the supply chain, and it is expected that more than one million tons of new capacity will be commissioned this year, with more new petrochemical plants under construction or planning to increase EVA capacity. To address the looming wave of EVA capacity expansion in Mainland China, the Company has been actively developing differentiated products while also expanding into emerging markets such as Southeast Asia, India, and Russia to meet this severe challenge.

In the first quarter, some VCM plants in Asia are expected to conduct maintenance earlier or extend the scheduled maintenance period due to weak PVC demand. However, the narrow profit margins make operations difficult for VCM producers, leading to production cuts. In the short term, VCM trading is sluggish, with cautious purchasing behavior. VCM inventory is high, making price hikes difficult. In the medium to long term, the situation will depend on the PVC market. Once the oversupply of PVC is balanced, the market will stabilize as inventory is reduced, and VCM supply will tighten, leading to a wider price gap. In 2024, the PVC market in Mainland China experienced a period of oversupply and low-price dumping, resulting in a prolonged low-price market and high inventory levels in key markets. Demand remained slow. Looking forward to 2025, a series of economic stimulus measures and monetary easing policies from Mainland China will help revive the housing market and boost consumer spending. With interest rate cuts in Europe and the U.S. and continued high economic growth in India and Southeast Asia, global PVC demand is expected to gradually improve in the second half of the year, driving PVC prices upward and stimulating buyers to increase their purchasing volumes. In 2025, the domestic PVC powder market will see stable demand from public works and Taiwan Power Company's strengthening of the power transmission and distribution network, maintaining stability in the domestic industrial sector. However, the downstream processing industry, which is mainly export-oriented, faces weak demand from European and U.S. markets, as well as suppressed growth in foreign sales industries due to the additional tariffs imposed by President Trump. Large domestic chemical users, such as TSMC, are forecasted to maintain growth in 2025, as the semiconductor and electronics industries continue to expand production capacity, leading to continued demand growth. In 2025, the ongoing housing market issues will suppress demand for private construction projects. However, public construction projects will benefit from the National Development Council's budget allocation of NT\$240.5 billion for major public infrastructure projects, the highest in recent years, which will significantly increase the supply of public construction projects, thus positively affecting the sales of construction materials. The cost of plastic sheets rose again in 2024 due to increases in shipping fees and raw material prices, alongside the continued global inflation problem. Additionally, China's low-price exports of competing products are limiting other suppliers' ability to secure sales. Looking ahead to 2025, the Company's plastic sheet orders will focus on niche products, shifting towards those with unique features or product certifications, to avoid direct competition with Chinese products. Avoid direct competition with products from Mainland China. However, attention must be paid to potential tariff policy changes following Trump's return to office, which may lead to a restructuring of the automotive supply chain, posing challenges for the automotive tape and fabric industry. Looking forward to 2025, the domestic sales of PVC plastic leather will continue to expand the indirect export channels and promote a series of functional and environmentally-friendly products, while in terms of export, the U.S.-based market will continue to be maintained steadily. Despite low-price competition from Vietnam, India, Mexico, and Mainland China, the Company's production and sales team will research and develop new products, expand product assortment, and develop new markets.

ABS: In 2024, due to the impact of inflation, the demand for consumer electronics in Europe and the United States declined significantly. In 2025, continue to pay attention to geopolitics and the impact of the U.S. Federal Reserve's decision on inflation and interest rate hikes on the market,

and the competition in the market will become more and more intense as new production capacity of ABS in Mainland China will be put into operation one after another; the Company continues to develop the ratio of direct customers with higher profit margins, and develop non-Mainland and non-Hong Kong markets, in order to achieve the strategic goal of full production and full sales and to ensure the performance of the Company's operations. GPS: The global movement against plastic use continues to gain momentum. Additionally, Mainland China is expected to add 400,000 to 600,000 tons of new PS production capacity in 2025, which warrants ongoing monitoring for potential market impacts. In response, the Company continues to actively explore markets outside Mainland China and Hong Kong, aiming to maintain full-capacity production and sales to ensure operational performance. EPS: In Mainland China, the EPS market remains in a state of oversupply. An estimated 1.1 million tons of new capacity is expected to come online in 2025. Looking forward to 2025, the development of new markets/new customers has been successful, such as the growth of Africa, Central and South America and other markets, the Company's strategy is to achieve full production and sales of EPS, and to improve operational performance. Mainland China EPS Market: There are four major EPS manufacturers in South China. In April 2024, Zhuhai RunGeng New Materials Co., Ltd. launched an additional 150,000 tons of capacity in Zhuhai, raising the region's total capacity to approximately 1.5 million tons. The Zhongshan plant of the Company has an advantage in the quality of ordinary materials (301), fast materials (391) and special lightweight materials (381), and continues to optimize the quality to enhance the Company's competitiveness in the market of packaging and sheets for electrical appliances and fruits and vegetables; at the same time, enhance the concentration of production particles, increase the output ratio of products with effective specifications, reduce the generation of stagnant materials, and strengthen our production efficiency.

Ferrite Powder and Iron Cores: In 2024, the segment remained affected by the ongoing Russia-Ukraine conflict, heightened tensions in the Middle East, and escalating U.S.-China trade friction. Although inflation has eased, global demand for consumer electronics such as smartphones and laptops remained weak. On the positive side, inventory in the cloud server supply chain has been cleared, and growing demand for AI servers and AI-powered devices drove an 11.1% annual growth in the passive components market.

Silicon Carbide Powder: From 2022 to 2028, the compound annual growth rate (CAGR) for silicon carbide powder is projected to reach 31%, with 70% of demand driven by electric vehicles (EVs). However, due to weaker-than-expected EV sales in 2024, the demand recovery fell short of projections. Future growth will depend on further development of new energy applications and the integration of silicon carbide in AI-related power systems.

### 3. Competitive Niches

The Company has always been known for its decent management. Our business philosophy is "Solid Operation, Professional Management, Seeking Excellence and Serving the Society". The Company's current business strategy is to manufacture and sell PE / EVA products with higher added value using limited sources of ethylene, and continuously change its product portfolio in order to generate higher profits. The Company has set up a research and development division in Guishan, which is responsible for development of new products and development of new market application, and is also committed to product optimization and customer technical support, with the effect affirmed by downstream customers.

In production, VCM (vinyl chloride monomer) process equipment is improved to stabilize production capacity and maximize utility rate. In purchase, the Company purchases competitive raw materials to increase production efficiency and reduce cost, thereby enhancing profitability in the overall industrial chain. The completion of storage tanks at the intercontinental terminal has significantly increased storage capacity. With raw material base prices expected to be lower this year compared to last, the Company is well-positioned to optimize procurement and strategically stock up on materials during price troughs, thus enhancing its competitive edge. In addition, the Company is actively seeking new export opportunities, strengthening partnerships with industry peers, and expanding production capacity to lower unit costs and diversify sales risks. In sales, products are made in stable and proper quality, and delivered on time and in accuracy. Full understanding of customers' needs and full support for them is the key to create competitiveness in



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the domestic sales and export of PVC powder. The Company holds the advantage to stably supply PVC compound and possesses experienced R&D teams that strive to improve quality and develop high value-added new products for its customers. PVC plastic products because of (1) private brand, brand awareness established; (2) Good quality control and after-sales service; (3) Existing product lines and downstream sales categories are wide, which is not affected by the peak season of a single industry, affecting the overall sales volume; (4) Vertical integration of VCM, PVC powder and downstream processing; (5) Complete supply of technical professionals; (6) Complete international marketing bases; (7) IATF16949 (International Automotive Task Force) and ISO 9001 quality control system complete, provide excellent quality certification system; (8) Environmental regulations are becoming more and more rigorous, such as: Prop#65, REACH, RoHS. The Company is capable of meeting the requirements, for the export market competition with advantage.

The competitive niche of ABS/PS and glass wool products is (1) maintaining the business strategy of full production and full sales and continuously optimizing the customer mix to ensure the operating performance. At the same time, under the premise of full production and full sales, we effectively control the reasonable inventory of raw materials and finished products to avoid the impact of large fluctuations in market prices on the Company's operating performance; (2) to continuously strengthen its development capacity and effectively develop markets outside the mainland China and Hong Kong; (3) Continuous development of customized products; (4) Fast and timely customer service and regular customer visit plan, strengthen after-sales service and enhance product added value.

The Company has invested in operations in Kunshan, Jiangsu Province and Zengcheng, Guangdong Province, China, engaging in the molding, sintering, and grinding of magnetic cores, providing localized services to customers in East China. Additionally, a representative office has been established in Sichuan, China, and production and sales facilities are also located in Malaysia to provide proximity services to customers. Japan, Europe, and the United States remain leaders in technology and product scale. The magnetic powder formulation of ferrite magnetic cores significantly affects the production process and final quality. As the formulation is closely related to the permeability, density, energy conversion efficiency, sintering time, and yield of manganese-zinc ferrite, major ferrite manufacturers consider the formula a top trade secret. Since establishment, the Company has continuously accelerated talent cultivation and the development of technology research to establish the self-development ability for materials. The Company has also caught up with the pioneer of material development. In addition, the products need to be aligned with the applications of downstream manufacturers for different purposes. Therefore, the Company participates in the planning at the beginning of the downstream clients' product design, and then supplies it to the downstream system terminal product manufacturers to make finished products. Once the downstream clients adopts this model, it is not easy for them to change suppliers in normal conditions, and the product loyalty is high.

#### 4. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures

Favorable factors affecting the Company's development prospects:

- (1) With regards to PE / EVA, the Company has established an excellent supply chain relationship with CPC Corporation, and has implemented flexible measures to obtain a stable supply of ethylene from various sources and maintain the stability of raw material supply.
- (2) In view of PE/EVA, the Company has established long-term cooperation relationship with downstream customers and developed such relationship into partnerships. Apart from the stable mutual supplies and sales with these partners, the Company has engaged in technical cooperation with partners to jointly develop new products and product applications.
- (3) In view of EVA used in membrane-encapsulated solar cells, the Company has a leading edge in terms of quality and technology. In addition, the Company's customers play a vital role in the industry. Over the years, these customers have collaborated and grown with the Company, and thus deep and solid partnerships have been established.
- (4) In view of PE/EVA, the Company's efforts to actively expand its related business in a number of emerging markets have shown excellent results. The Company will continue to target effort at different regions and products in order to meet product needs from these market segments, and thereby expanding into emerging economy markets.
- (5) Gulei investment project has been mostly completed and put into production, will enhance the competitiveness of the Company in the future.
- (6) The Company has achieved vertical integration of VCM, PVC resin, and its downstream processed products.
- (7) It maintains firm control over the supply of key raw materials, including EDC and ethylene.
- (8) The Company effectively manages inventory and production capacity to minimize manufacturing risks.
- (9) With Toufen and Linyuan two factories complementary production, PVC powder product features more diversified, adequate inventory and fast delivery elasticity.
- (10) The Company's relationship with PVC powder customers and the depth of its services.
- (11) The Company continues to break bottlenecks in PVC powder production and sales, thereby effectively reducing production costs.
- (12) PVC powder rejoining tanks and a number of other PVC powder production equipment renewal project, equipment projects have been carried out, the expected benefits include increased production capacity, improved product quality, reduced energy consumption, increase in the production capacity of special powders, etc., various advantages will further enhance the Company's competitiveness.
- (13) The Company has long upheld superior quality standards for its chemical products to meet customer expectations.
- (14) Key chemical product clients continue to expand their production capacity, while overall market demand experiences steady growth.
- (15) The Company has its own brand for PVC plastic products, along with good quality control and after-sales services.
- (16) The Company has readily available professionals in the area of PVC plastic product technology.
- (17) The automotive leather for PVC plastic products has been certified by IATF16,949.
- (18) In view of PVC plastic products, the Company is engaging in the research and development of new products including high value-added and ecofriendly materials
- (19) For PVC plastic products, the Company continues to improve related equipment, manufacturing processes and product quality.
- (20) The Company has established sales offices and distribution channels overseas which can facilitate market expansion.



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- (21) For PVC plastic products, exported plastic leather and plastic sheets, the Company has printed its corporate identification labels on the products in order to increase brand awareness, thereby effectively raising customers' willingness in purchase.
- (22) Continuous research and development of environmentally friendly materials for PVC plastic products helps enhance product segmentation and market promotion.
- (23) The surface treatment technology applied to PVC plastic product is expanded its use to plastic leather and plastic sheet; it is expected to increase sales volumes in the US market for the inner lining products for machinery and equipment.
- (24) PVC plastic products are rapidly expanding, with cooling applications being introduced for outdoor seating cushions.
- (25) The stable quality of ABS/PS products, integration of research and development capabilities, strengthening of customer service and implementation of management system will help customers to have confidence in our products.
- (26) For GPS, the Company uses NOVA process technology, which has the advantages of heat resistance and low residual monomer quality.
- (27) The development of new EPS product has catapulted the Company to a leading position in the domestic market. The Company is the first to develop fire-rate anti-static products, which has gained it considerable reputation in the international market.
- (28) Mainland government continues to stimulate domestic demand, which is conducive to the space for domestic demand in the South China market (Vegetables, fruits and cold chain transport services, etc.) to grow. Since the demand for EPS is still growing, this is conducive to the operation of the Company's Zhongshan Plant.
- (29) The new production capacity of the main raw material SM in mainland China continues to increase, which is conducive to the Company's bargaining power for raw material SM.
- (30) The Company is a leading brand in the glass wool market, and the product quality is well recognized.
- (31) The Company offers high level of services associated with the glass wool products so as to effectively eliminate product competition among other foreign goods.
- (32) The Company has stable marketing channels for glass wool products, which is an advantage for market development and competition.
- (33) Glass wool is used as filler in the calcium silicate board partition system. This application has been gradually accepted in the market.
- (34) With annual increases in sales for the gypsum board partition system, the use of glass wool is expected to increase as well.
- (35) The conversion of the non-combustibility test of CNS6532 to CNS14705 can facilitate the fiberglass ceilings panel products to pass the test.
- (36) In addition to the successful renewal of BRANZ certification in New Zealand and Australia, the Company has also helped its New Zealand customers successfully obtain the Environmental Choice New Zealand (ECNZ) ecofriendly label, thereby facilitating bids for government projects.
- (37) Regulations related to floor impact sound will be implemented in January 2021. Newly developed product, i.e. the glass wool sound insulation system for Porter panels and wood floors has passed the test, thus facilitating new market development, continuously visit and promote contractors, engineering and construction companies.
- (38) The newly developed six-sided coated products have increased product added value, with stable growth in the application market.
- (39) Electromagnetic radiation interference between electronic products has been attracting growing attention. Europe and the U.S. were the first to pay attention to the issue of electromagnetic radiation, and have established strict electromagnetic test standards. In the future, products must pass these electromagnetic radiation tests, which will help increase demand for products such as ferrite cores and inductors.

- (40) With the thriving development in the global automotive, information, network communication, and consumer electronics industries, the global market scale continues to expand, thereby increasing the demand for magnetic cores and inductors. Moreover, due to a wide range of applications for downstream products, the Company will be less affected by the condition of a single industry.

Unfavorable factors and corresponding countermeasures:

PE/EVA:

- (1) The Company relies on purchasing from third parties to complement the shortage of ethylene supply. The price of ethylene is fluctuated in line with the international market, thus are difficult to manage.
- (2) The low production capacity of the production line increases unit production costs.
- (3) Low import tariffs for LDPE/EVA products in Taiwan have resulted in competition from low-priced imported materials from new production capacities in foreign countries. Not only has the market been divided, the sales price of LDPE / EVA products will also be indirectly affected and cannot be increased.
- (4) As Taiwan did not join the ASEAN Free Trade Area, and many countries are keen to sign double tax treaties among themselves, such as RECP, the Company's LDPE/EVA export market is full of trade barriers and unfair competition; this has also caused significant impact on the Company's LDPE/EVA sales volume and product prices.
- (5) The Ministry of Environment announced the "Carbon Fee Collection Regulations," which impose a carbon fee starting from 2025 on large carbon emitters with annual emissions exceeding 25,000 tons.
- (6) Starting from April 2024, Taiwan Power Company implemented comprehensive electricity price adjustments for all user categories, including industrial users, household users, small businesses, and low-voltage users, resulting in price increases for all.

Countermeasures:

- (1) Apart from continuously seeking sources of low-priced ethylene, making investment in the Gulei petrochemical projects, improving and enhancing the stability and operating rate of production equipment, increasing production capacity and product quality to reduce production cost to win over the market, the Company is even more committed to offering reasonable product prices and providing services to customers. Besides, the Company also develops high value-added products in response to market trends, and expands export sales into emerging markets, such as Mainland China, to establish stable customer base for the long term and therefore increase operating profits.
- (2) Introduced internal carbon pricing in 2024, with shadow pricing to incorporate carbon costs into investment appraisals and increase the chances of implementing carbon reduction projects. Established an energy management system and analyzed various figures to identify room for improvement. Evaluate the addition of rooftop solar energy equipment for new buildings.
- (3) The Company is actively investing in low-carbon technology transformation to mitigate the impact of electricity price hikes. Improvements in chilled water tanks and pipework insulation help to minimize cooling escape and reduce power consumption. The ethylene purification system improves the effective removal of carbon dioxide from the system and reduces the inefficiency of the compressor to reduce power consumption. Replacement of equipment (refrigeration unit renewal), adjustment of operation mode, and power failure are available.

VCM:

- (1) With domestic environmental protection policies getting more and more stringent and proposals for energy saving and carbon reduction being accelerated in implementation, coupled with the revision of the Labor Standards Act, the auxiliary measures and grace periods for businesses in the related issues turned out to be not as good as expected, and this will impose limitation on the Company's business transformation and development.
- (2) Domestic energy prices continue to rise without any decline, and the overall increase has become unacceptable for petrochemical plants, causing significant pressure on production.



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- (3) The unpredictable international situation and the frequent impact of extreme weather conditions on production have led to dramatic fluctuations in raw material transportation, prices, and supply. The intensive addition of new production capacity has increased downstream supply, resulting in an imbalance between supply and demand.

### Countermeasures:

- (1) Update production equipment, accelerate energy saving, water saving, electricity saving, carbon reduction improvement and investment, while improving operation efficiency, maintain high productivity.
- (2) Continue to communicate with the relevant government agencies on plans related to corporate social responsibility and environmental responsibility to reach a consensus between both parties
- (3) Continue to obtain sources of competitive raw materials, and respond to ever changing market changes using flexible production and sales strategies
- (4) Increase the storage capacity of EDC and VCM, the inventory will be carefully adjusted to find the right market to enter and purchase and to enhance the advantages of vertical integration and increase overall profitability.

### PVC powder:

- (1) The supply from the United States remains stable, while new production capacity from Mainland China continues to come online, leading to an oversupply and inventory pressure that affects the global PVC market's supply and demand balance.
- (2) It is expected that in 2025, the international PVC market will still face the risk of price decline, mainly due to the continued increase in the operating rate of Mainland China's PVC powder plants and the introduction of new production capacities, which will result in inventory destocking, low-price export competition, and disruption of market order.
- (3) Without signing FTA with major consumers of PVC powder, while China, Japan, South Korea and Southeast Asian manufacturers enjoy preferential tariffs, sales market for Taiwan is compressed.

### Countermeasures:

- (1) Actively acquire the market of commercial materials for PVC powder downstream manufacturers in Southeast Asia, India, Bangladesh, and Brazil and establish stable cooperative relationships with them.
- (2) Actively establish strong customer base in both India and Bangladesh through agents and traders as demand for PVC in both countries is rapidly increasing, with the purpose of expanding sources of sales orders. Obtain BIS and ADD certifications in advance, providing tax advantages.
- (3) Actively apply for certification, in order to meet the requirements of PVC powder raw materials or processed products and expand business opportunities; Projects completed or under application include ISO 14001 Environmental Management system, SGS 2021 Greenhouse Gas Inspection Statement, carbon footprint certification, etc.
- (4) Seek long-term support from PVC powder key customers in every region
- (5) Enhance PVC powder product quality and develop products with unique specifications and market differentiation
- (6) Streamline organization, improve operational efficiency and enhance customer service.

### Alkali-chlorine:

- (1) Expansion of domestic potassium sulfate plants has led to an increase in the production of secondary hydrochloric acid, thereby impacting the hydrochloric acid market.
- (2) Domestic sales of alkali face competition from those imported from Mainland China, thus squeezing profit margins for this product.

### Countermeasures:

- (1) Segment sales markets to establish stable sales and distribution channels

- (2) Continuously increase production quality and efficiency, and optimize production and sales planning

#### PVC plastic products:

- (1) High-value-added and differentiated product development is not yet complete, and the Company is continuously seeking to enhance its technology.
- (2) The cost of green eco-friendly materials is high.
- (3) OEM automotive leather exports are restricted by rigorous quality requirements and the long testing and development schedule delays qualification certification.
- (4) Environmental regulations in Europe and the United States are becoming increasingly stringent. In North America, restrictions on flame retardant additives for furniture leather have led to adjustments in product formulations and a restructuring of sales regions.
- (5) Low-cost competition with the Company's foreign peers and tariff barriers have led to obstacles in its export expansion plans.
- (6) Some markets have replaced PVC with other materials.
- (7) Frequent port strikes have created uncertainty in shipping costs, and exchange rate fluctuations have weakened export competitiveness.

#### Countermeasures:

- (1) Strive for supply rights for domestic public projects as well as building materials for the private sector and construction industry.
- (2) Continue developing environmentally friendly materials and high-value-added products. Establish and obtain GRS certification for eco-friendly materials to enhance competitiveness.
- (3) Engage in product and market segmentation to acquire markets for high value-added products.
- (4) Continuously reduce production costs and improve production technologies. Install VOC treatment equipment to meet regulatory requirements, significantly enhancing product competitiveness.
- (5) Actively develop new products and apply for invention patents or new type patents.
- (6) Develop business opportunities in emerging markets and launch new products to capture market share
- (7) Use North America's successful high-end product portfolio and promote them in marine or furniture markets abroad, where the main target regions are Europe, Australia and Asia.
- (8) Cooperate with professional companies specializing in channels related to U.S. OEM automotive leather, and utilize collaborations with such professional companies to accelerate the Company's entry into the supply chain of the automobile industry
- (9) Establish strategic alliances with domestic and overseas brands, as well as develop new materials
- (10) Engage in horizontal promotion of unique products in each individual region to each major market through exchange of product information.

#### ABS/PS products:

- (1) New production capacities continue to be added in Mainland China, leading to a trend of overcapacity, intense market competition, and the instability of U.S. tariff policies.
- (2) The main raw material SM market is unstable on the ups and downs.

#### Countermeasures:

- (1) Enhance product quality and product added value, segment markets, and avoid market price competition.
- (2) Maximize capacity, reduce cost, as well as select and sell products with relatively good profit margin.
- (3) Analyze and track market development trends, develop emerging potential markets outside Mainland China and Hong Kong, and avoid markets affected by U.S. tariffs.
- (4) Effectively bring the integrated supply chain management into full play and lower the inventory level of raw material and finished goods so as to reduce risk.



#### Glass wool products:

- (1) Kuwait's import costs are low, and it has passed the calcium silicate board partition fire resistance test for one hour, which significantly impacts the domestic market.
- (2) Substitutes are flooding the market.
- (3) Products from Mainland China are attempting to enter the Taiwan market through project-based import applications.

#### Countermeasures:

- (1) Carry out special sales for imported specifications and consolidate distribution network.
- (2) Strengthen project tracking and conduct direct sales.
- (3) Enhance project visits and control to prevent changes in glass wool materials.
- (4) Actively participate in related trade associations, maintain contact with the Industrial Development Bureau, and keep an eye on product trends in Mainland China at all times.

#### In regard to ferrite magnetic powder and iron cores:

- (1) Costs of domestic and foreign workers are gradually increasing every year, thereby increasing production and operating costs.
- (2) There are many competitors in the industry, which leads to intense price competition.

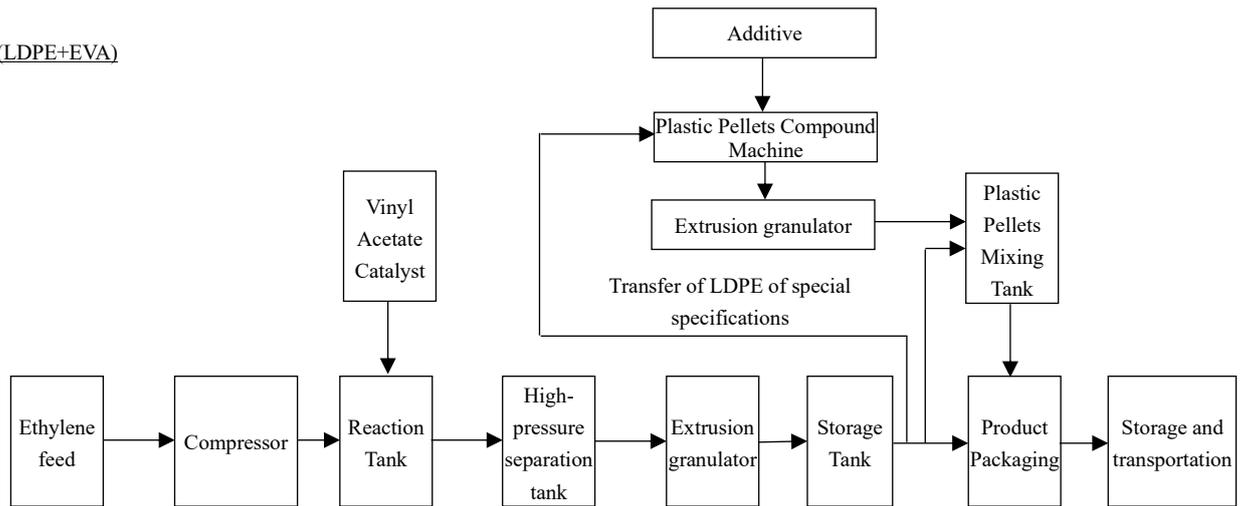
#### Countermeasures:

- (1) Improve quality, lean production, and automated production through the purchase of advanced machines and equipment and improvement of manufacturing processes, as well as enhance employees' on-the-job training in order to improve efficiency and productivity.
- (2) Increase the added value of products, implement the refinement of various manufacturing processes and improve such processes to reduce production costs and enhance overall product quality, thereby engaging in effective market segmentation and establishing a competitive advantage in the market. In addition, establishing all-around support service capabilities in line with customers' product development needs, shaping the Company's competitive advantage over other competitors, as well as jointly developing future products according to development trends in order to quickly grasp market dynamics and enhance competitiveness.

## (II) Important Uses and Production Processes of Main Products

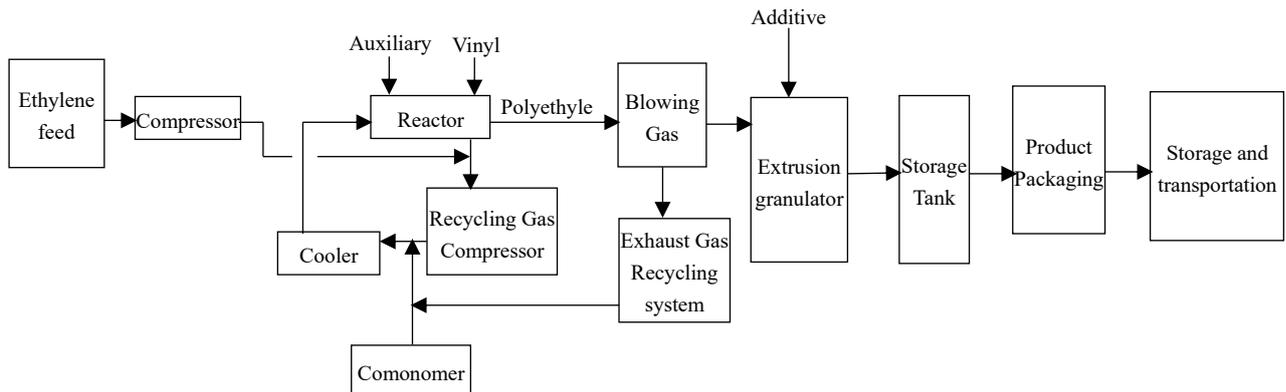
The Company's polyethylene plastic pellets are supplied to domestic and overseas processing plants. These pellets are used in a wide range of plastic products for daily use, such as plastic bags, handbags, food bags, plastic films, bubble cloth, woven bags, woven canvas, window nets, fishing nets, ropes, plastic tubes, plastic flowers (trees), plastic turf, plastic lunch boxes, plastic containers, bottles, baskets, boxes, beer boxes, bottle caps, non-woven fabrics, carpet adhesives, and even hot-melt adhesives for cartons, just to name a few. As PE is non-toxic and easy to process, the number of new products made from PE is still increasing. Another product, ethylene vinyl acetate copolymer resin (EVA), is mainly used in the production of foaming shoes, sports equipment, various types of films, membrane-encapsulated films for solar batteries, hot-melt adhesives, protective films, wire and cable insulation shields, and low-smoke halogen-free materials due to its high level of toughness and flexibility. The process of producing low-density polyethylene (LDPE) and ethylene vinyl acetate (EVA) is as follows. Raw materials, ethylene (its finished product is LDPE) or ethylene vinyl acetate (its finished product is EVA) is fed into a high pressure reactor after going through multiple times of pressurization. Next, organic peroxides are used as catalysts to carry out polymerization. Semi-finished polymer products are then packaged into pellets after pelletizing, and unreacted gases are repeatedly recycled.

(LDPE+EVA)



The process of producing high-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE) includes the following steps: First, the raw material, ethylene (HDPE is the finished product) or ethylene and butane (LLDPE is the finished product) is pressurized multiple times and fed into a high-pressure reactor. Next, transition-metal catalysts are added as catalyst to carry out polymerization. The granular semi-finished products are then packaged into commercially available products after granulation, and unreacted gases are recycled after separation.

(LLDPE+HDPE)



VCM is mainly used in the production of PVC powder, where EDC is used as a raw material. After cracking, VCM and hydrochloric acid gas are produced. Through the oxychlorination reaction on ethylene, oxygen and hydrochloric acid gas, EDC is then produced (back to cracking process). PVC powder is mainly used for producing flexible plastic sheets, PVC leather, rigid plastic sheets, rigid pipes, and extrusion construction products. The materials include VCM, initiators, and dispersants and it is produced through polymerization and drying processes. Chemicals are mainly used in water treatment and the production of food MSG, synthetic fibers, detergents, dyes, pulp, steel, etc. and the materials consist of industrial salt, other indirect materials, and water which are refined into pure brine and then electrolyzed into liquid caustic soda, hydrogen, and chlorine using ion-exchange membranes. Chlorine gas is then reacted with hydrogen and liquid caustic soda to synthesize hydrochloric acid and bleaching liquid. PVC building materials and products (PVC pipes, foamed PVC pipes, glass-reinforced plastics door panels, foamed door panels, and anti-corrosion lining) mainly for buildings (water pipes, drainage pipes for rain/domestic sewage, electrical protection sleeves, room door, toilet door, and partitions) and public construction projects (water supply and drainage works, electrical protection sleeves, and wastewater sewage). The materials include PVC powder and stabilizing agents which undergo procedures including mixing, gelatinization, extrusion, cooling, and cutting. Soft plastic sheets can be used to produce plastic sheet cloth, semi-rigid cloth, stationery cloth, transparent cloth, waterproof film, swimming pool cloth, mesh cloth, cloth for gas blowing, bonding cloth, furniture cloth, advertising cloth, screen



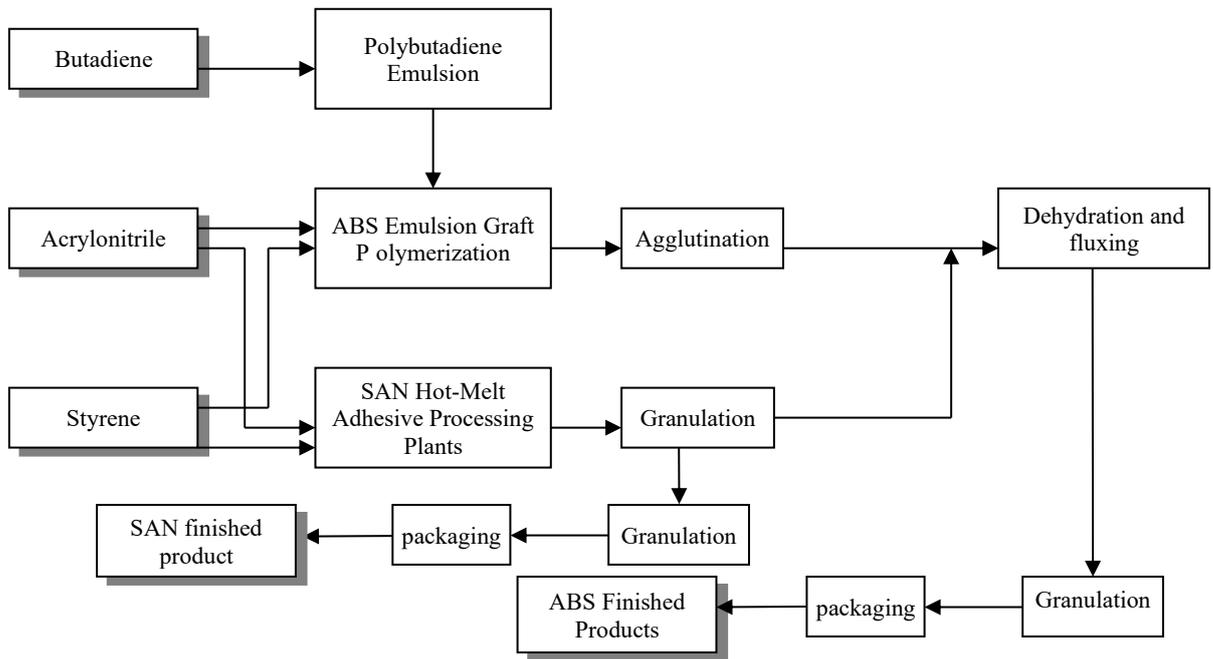
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cloth, raincoat cloth, table towel cloth, shower curtain cloth, and curtain cloth. Soft plastic sheet is made of PVC powder, plasticizer, and other auxiliary materials through the process of cold and hot mixing, gelation, filtration, calendaring, cooling, and coiling. These sheets/cloth can also be printed and laminated to increase their added value. Hard plastic sheets can be used for the production of vacuum forming cloth, drug packaging cloth, cooling tower dripping cloth, collar lining cloth, flitch cloth, protective cloth, printing cloth, stationery cloth, and ceiling cloth. They are produced from PVC powder and other auxiliary materials which are mixed before undergoing procedures including gelatinization, extrusion, deferred pressure, cooling, and coiling extraction. They can also be processed or embossed to increase added value. Soft leather and non-foaming leather are mainly used to produce sofa skin for cars, motorcycles, bicycles and marine vehicles, SPA cover, shoe leather, baseball gloves, sports equipment, and medical chairs. etc. Plastic leather is made of (1) plastic powder, plasticizers and other auxiliary materials, and (2) Non-PVC environmental protection materials is put through various processes in production, including mixing, gelatinizing, filtering, and being stretched by tape machine, laminating to base fabric, and finally being foamed and embossed in the foaming furnace or embossing machine. Moreover, special treatments such as printing, stain-resistant or water-based scratch-resistant treatment can be performed to increase added value.

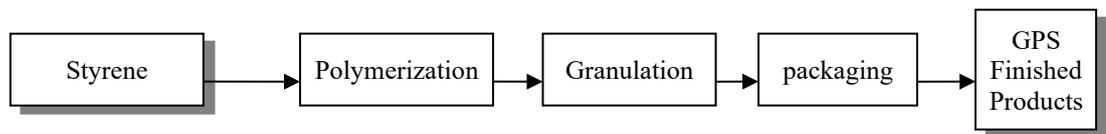
ABS resins are mainly used for producing information equipment, OA equipment, home appliances and electronic parts and appliances, 3C accessories, bathroom ware, toys, automotive and scooter components, heels, suitcases, daily necessity items, telephones, stationery, sports equipment, battery case and safety helmet, and tool machine. SAN resins are mainly used to produce juice blender casing, powder boxes, coffee machine water tank, transparent decorations, air-conditioning fan, blades, stationary, and tableware. Important applications of the general-purpose polystyrene include lighting, stationery, household appliance, daily accessories, diffusion boards, insulation boards, disposable tableware, food and pharmaceutical packaging materials. Expanded polystyrene is applied to building material insulation boards, packaging materials, antistatic packaging materials, vegetable and vegetable boxes, fishing boxes, insulation materials, boards, construction thermal insulation walls, and helmet cushion. Glass wool is mainly applied to cooling materials for air-conditioning ducts, metal roofs, heat-insulating materials for walls, dry partitions filled with sound-absorbing insulation materials, ceilings for interior decoration, wall panels, heat-insulating materials used in machinery and equipment installed in the petrochemical industry, heat-insulating and sound-absorbing materials for home appliances, vehicles, heat- and sound-insulating materials for ships and heat-insulating materials for curtain walls. Cubic printing is used mainly in special printing techniques for plastics, metals, wood, plaster, glass and ceramics. In view of the long-term and continuous contraction of the curved surface printing market, after discussion, we decided to temporarily stop the production and business of the curved surface printing department from April 2021. Impact-resistant polystyrene is mainly applied to digital equipment, home appliances, toys, everyday accessories, stationery, electronic components and disposable cups. The production processes for major products are demonstrated as follows:

(1) Production process for Acrylonitrile-Butadiene-Styrene Copolymer (ABS) and Acrylonitrile-Styrene Copolymer (SAN)

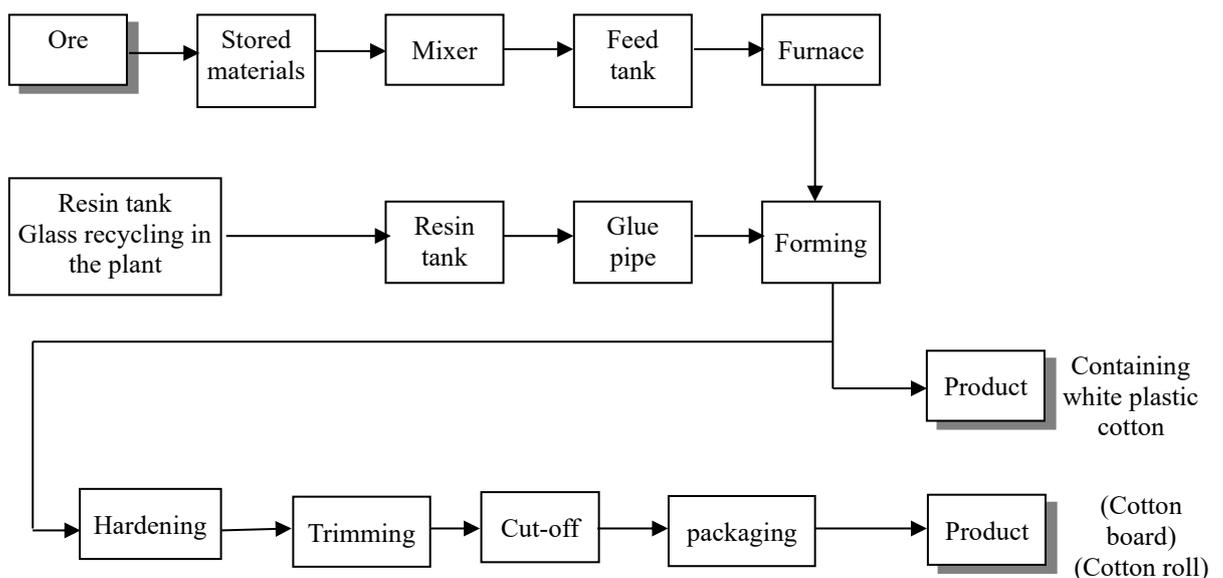
Polystyrene (GPS) Resin production process



(2) Polystyrene (GPS) resin production process

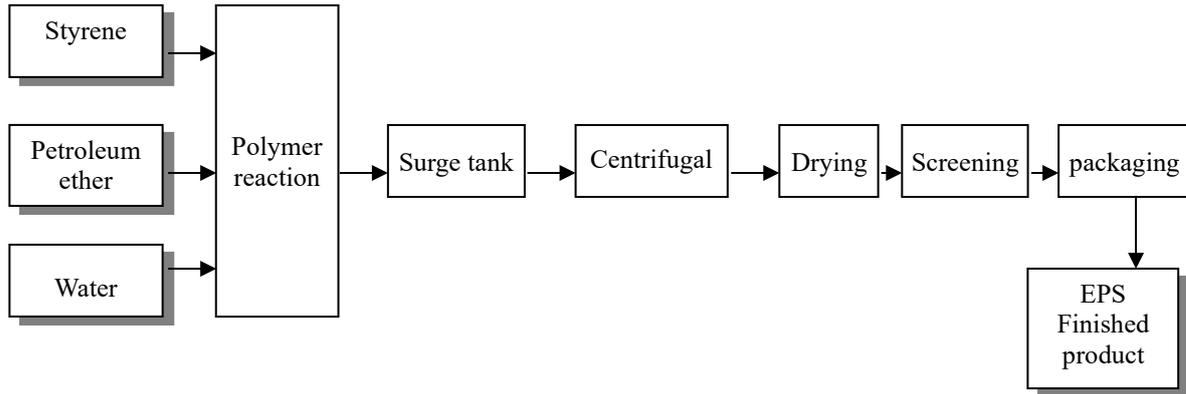


(3) Expanded Polystyrene (EPS) resin production process





(4) Glass wool product production process



The production process for ferrite powder and cores is divided into four stages: milling, forming, sintering, and abrasive machining. The main uses for these products are as follows:

Product Category	Downstream Products	Use
Traditional magnetic core	Filters, adapters, and light tube stabilizers	Power supplies, modems, scanners, (wireless) chargers,
Magnetic core for inverters	Inverters	LED TVs, laptops, smartphones, tablets, game consoles, routers, central office switches and telecommunication network equipment, automotive electronics and medical equipment
Magnetic core for communications	Communication transformers and splitters	
Polished magnetic core for filtering	Electromagnetic interference filters	
Ring-type magnetic core	Electromagnetic interference filters and light tube stabilizers	
Magnetic core for power inductors	Power inductors	
Nickel-zinc series magnetic core	Communication transformers and power inductors	
Soft ferrite powder	Raw materials used in iron cores	

The production process for Siliconware powder is divided into three stages: synthetics, crystal growth and purification. The primary applications are single crystal raw materials and high-purity sintered ceramic raw materials.

(III) Supply of major raw materials

The basic raw material for the Company's polyethylene plastic products is ethylene, mainly supplied by the domestic Taiwan CPC Corporation, with supply from investments in the Gulei Petrochemical contract formula. Some EVA raw materials, specifically Vinyl Acetate Monomer (VAM), are primarily supplied under contract formulas from domestic Dalian Company and foreign HELM Company. Other fillers are mostly imported from abroad as they are either used in small quantities or produced outside Taiwan.

The main raw materials of VCM are EDC and ethylene. Long-term contracts have been signed with suppliers to ensure stable supply of these raw materials. The main raw material of PVC powder is VCM, which is produced by the Company for self-use. The main raw material of alkali-chlorine is industrial salt. Long-term contracts have been signed with suppliers to ensure stable supply of these raw materials. The main raw materials to produce plastic sheets and PVC leather are PVC powder and plasticizers, and the supply condition is described as follows: (1) PVC powder: Most of the PVC powder is produced by the Company for self use in production, and only a small quantity is purchased from external sources; (2) Plasticizers: Plasticizers are mainly supplied by Nan Ya Plastics Corporation, while special plasticizers are imported from abroad. The main raw material of building materials is PVC powder, which is mainly self-produced and supplied, and thus the source of this raw material is stable.

The supply and demand of styrene monomer (SM) is currently in balance. The Company has routinely purchased SM from Taiwan Styrene Monomer Corporation, Formosa Chemicals and Fibre Corporation, China Petrochemical Development Corporation, CNOOC and Shell Petrochemicals

Company Limited, in order to balance price risk and overcome the shortage of supply The Company has established supply contract with CPDC for the supply of acrylonitrile (AN). Domestic procurement is also regularly made with Formosa Plastics Corporation. The Company also imports the material from abroad from time to time dependent on the status of supply and demand in order to increase flexibility in inventory support and ensure stable source of material supply. In view of butadiene (BD), material supply agreements have been signed with CPC Corporation and Formosa Petrochemical Corporation. The Company imports the material from time to time depending on the status of supply and demand to provide full support in private use. Pentane is mainly available in ready stock abroad. The usage of this material is stable, and there is no issue regarding shortage of supply of this material. Glass-quality sand is the main raw material of glass wool products. Because its unit price is relatively low, it is constantly supplied domestically. As its quantity and price experience minimal changes, it can be fully controlled.

The main raw materials and suppliers of ferrite powder and cores are as follows and the supply of such materials are stable:

Main Raw Materials	Name of Main Supplier
Iron oxide	High-tech magnetic technology
Manganese oxide	Guizhou Jinruixin Metallurgical Materials
Zinc oxide	Ciyang Technology
Nickel oxide	Prior Company, Ltd.

The main raw materials and suppliers of Siliconware powder are European and American manufacturers and the supply of such materials are stable:



(IV) Name of customers who account for more than ten (10) percent of the total purchases (or sales) of goods and their dollar amount and proportion of purchase (or sales) of goods in any one of the most recent two fiscal years, and an explanation of the reason for changes in these figures

1. Name of customers who account for more than ten (10) percent of the total purchases of goods and their amount and proportion of purchase (or sales) of goods

Unit: NT\$ thousand

Item	2024 (audited and verified)				2023 (audited and verified)			
	Name	Amount	Percentage of Net Purchase for the Current Year(%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Current Year(%)	Relationship with the Issuer
1	CPC Corporation	7,793,707	20	No	CPC Corporation	7,079,911	19	No
2	Other	30,655,123	80	Note 3	Other	29,979,646	81	Note 3
	Net purchases of goods	38,448,830	100		Net purchases of goods	37,059,557	100	

Note 1. List the name of suppliers who account for more than ten (10) percent of the total purchases (or sales) of goods and their dollar amount and proportion of purchase (or sales) of goods in the most recent two fiscal years. However, if the name of suppliers or counterparties who are individuals or non-related persons cannot be revealed due to contractual agreements, a code may be used.

Note 2. As of the publication date of this annual report, if financial information of companies that are publicly listed or whose shares are traded on the TPEX were recently audited or reviewed by CPAs, such information shall be disclosed.

Note 3. No suppliers account for more than ten (10) percent of the total purchases of goods. In the years 2024 and 2023, the Company made purchases from its related party, Fujian Gulei Petrochemical, amounting to NT\$1,139,419 thousand and NT\$2,152,810 thousand, respectively, accounting for 2.96% and 5.81% of total purchases.

Reason for the change in purchase amount: The increase in purchases was primarily due to the rise in ethylene prices.

2. Name of customers who account for more than ten (10) percent of the total sales of goods and their dollar amount and proportion of purchase (or sales) of goods: None.

### III. Average Years of Service, Average Age, and Distribution of Academic Qualifications of Employees in the Most Recent Two Fiscal Years up to the Publication Date of this Annual Report

Year		2024	2023	Financial information of the current fiscal year up to March 31, 2025
Number of Employees	Staff	1,911	1,903	1,904
	Direct Labor	2,998	2,963	2,933
	Total	4,909	4,866	4,837
Average Age		41.54	41.54	41.43
Average Year of Service		11.30	11.30	11.11
Distribution of Academic Qualifications	Doctor	1.36%	1.36%	1.63%
	Master	12.14%	12.10%	13.52%
	University/College	35.75%	35.72%	35.48%
	Senior High School	25.42%	25.59%	25.20%
	Below High School	25.33%	25.23%	24.17%

### IV. Disbursements for Environmental Protection:

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

Unit: NTD

Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
02/21/2024 Kaohsiung Environmental Protection Bureau Reference No. 11330641800	Subparagraph 1, Paragraph 1, 2, Article 31 of the Waste Disposal Act	12	On October 27, 2023, we sent our staff to TVCM's Renwu Plant to conduct an audit and found the following irregularities: The Renwu Plant's linear low-density polyethylene chemical manufacturing process (M02) was investigated, and the process waste gas was piped into the boiler as fuel through fixed equipment (cushioning tanks, gas recovery tanks, and reactor, etc.), and it was found that it had been replaced by mobile recovery tanks to the boiler, and that its materials were (butene, isopentane) mixed liquids, but it was investigated that the plant had not applied for permission to dispose of them on its own, and had not reported the waste disposal situation by means of network transmission. However, the Renwu Plant did not apply for a self-treatment permit and put the above substances into the boiler for mixing and burning, and did not report the waste disposal situation through network	The buffer tank is changed to a fixed equipment and equipped with a fixed pipeline to collect the waste gas to the boiler for treatment in a closed area, after the change, no waste is produced from this equipment.



Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
			transmission. They have respectively violated the provisions of Subparagraphs 1 and 2, Paragraph 1, Article 31 of the Waste Management Act.	
05/07/2024 Kaohsiung Environmental Protection Bureau Reference No. 11333506800	Paragraph 2, Article 23 of the Air Pollution Prevention Law	150	From July 30 to November 30, 2023, routine maintenance work was conducted, and normal operations were resumed in December 2023. However, the Taiwan Jun Company Renwu Plant failed to submit the maintenance report within one month after completing the maintenance as required. This is non-compliant with the "Volatile Organic Compounds (VOC) Air Pollution Control and Emission Standards" under Article 46, and constitutes a violation of Article 23, Paragraph 2 of the Air Pollution Control Act.	1. Review the accuracy of all document submissions. 2. Consolidate all application documents, work progress, response times, and other work items into a unified work plan to ensure confirmation and timely tracking of the case progress. 3. Hold weekly meetings to confirm and review work progress, ensuring that issues do not recur.
09/19/2024 Kaohsiung Environmental Protection Bureau Reference No. 11338513200	Paragraph 1, Article 20 of the Air Pollution Control Act	150	On July 29, 2024, an inspection at Taiwan Jun Company Renwu Plant found that one equipment component in the M01 process had a net detection result exceeding 2,000 ppm, which exceeds the "Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards," violating Article 20, Paragraph 1 of the Air Pollution Control Act.	1. To manage the VOC risk for the C-201 rotating equipment, additional irregular and regular monthly FTIR measurement operations have been added, achieving reliable VOC management and forecasting. (This includes B/C/D/E/F lines). 2. This measure will be tracked in the quarterly Environmental Health and Safety Management report, including the VOCs plan content.
12/05/2024 Kaohsiung Environmental Protection Bureau Reference No. 11341138900	Paragraph 2, Article 24 of the Air Pollution Prevention Law	100	On October 28, 2024, an inspection at Taiwan Jun Company Renwu Plant revealed that a new piece of equipment had been installed for heating, melting, and blending additives with the product (solid EVA) from the M01 process for re-granulation. As this equipment was not listed in the operating permit, and the operating conditions were inconsistent with the approved permit content, the plant violated Article 24, Paragraph 2 of the Air Pollution Control Act.	On November 20, 2024, the fixed pollution source operation permit amendment was completed and submitted.
11/01/2024 Kaohsiung Environmental Protection Bureau Division No. 20- 113-110001	Paragraph 1, Article 20 of the Air Pollution Prevention Law	150	On May 24, 2024, the Kaohsiung City Environmental Protection Bureau conducted a volatile organic compound (VOC) leakage concentration inspection of equipment components in the Low-Density Polyethylene Chemical Manufacturing Process (M01) at the Taiwan Jun Company Linyuan Plant. The results showed a total of 1 point, with the leakage concentration exceeding the "Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards".	(1) Strengthen on-site personnel equipment component inspections. (2) The Environmental Protection Section conducts monthly sampling of equipment components.
11/01/2024 Kaohsiung Environmental Protection Bureau Division No. 20- 113-110002	Paragraph 1, Article 20 of Air Pollution Prevention and Control Act	150	On May 24, 2024, the Kaohsiung City Environmental Protection Bureau conducted a VOC leakage concentration inspection of equipment components in the Low-Density Polyethylene Chemical Manufacturing Process (M02) at the Taiwan Jun Company Linyuan Plant. The results showed a total of 3 points, with the leakage concentration exceeding the "Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards." Strengthen on-site personnel equipment component inspections.	(1) Strengthen on-site personnel equipment component inspections. (2) The Environmental Protection Section conducts monthly sampling of equipment components.
11/01/2024 Kaohsiung Environmental Protection Bureau Division No. 20- 113-110003	Paragraph 1, Article 20 of Air Pollution Prevention and Control Act	150	On May 24, 2024, the Kaohsiung City Environmental Protection Bureau conducted a volatile organic compound (VOC) leakage concentration inspection of equipment components in the Low-Density Polyethylene Chemical Manufacturing Process (M03) at the Taiwan Jun Company Linyuan Plant.. The results showed a total of 1 point, with the leakage concentration exceeding the	(1) Strengthen on-site personnel equipment component inspections. (2) The Environmental Protection Section conducts monthly sampling of equipment components.

Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
			"Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards".	
11/21/2024, Kaohsiung Environmental Protection Bureau Division No. 20-113-110045	Subparagraph 1, Paragraph 1, Article 32 of the Air Pollution Control Act	225	On October 11, 2024, during the startup of the Low-Density Polyethylene Chemical Manufacturing Process (M03) at the Taiwan Jun Company Linyuan Plant, steam was used to blow out residual polymer in the pipeline. Due to excessive instantaneous pressure, gas was released from the separator's pressure relief valve, discharged to the waste gas combustion tower for treatment by burning. Incomplete combustion caused a significant instantaneous release of particulate pollutants (black smoke), resulting in air pollution.	(1) Strengthen personnel training. (2) Reduce blowing pressure.
03/25/2025 Kaohsiung Environmental Protection Bureau Division No. 20-114-030019	Paragraph 2, Article 23 of the Air Pollution Prevention Law	150	On September 19, 2024, the Environmental Protection Department conducted an audit of the LDPE chemical manufacturing process (M01) at the Lin Yuan Plant of Asia Polytechnic Corporation (APC) and found that the Lin Yuan plant of APC had been using the combustion tower from June 1, 2024 to June 7, 2024, but the operation process did not comply with the "Air Pollution Control and Emission Standards for Volatile Organic Substances (VOCs). Article 5 states that "...the weight ratio of vapor to exhaust should be between 15% and 50%".	(1) Strengthen on-site personnel equipment component inspections. (2) The Environmental Protection Section conducts monthly sampling of equipment components.
06/27/2024 Kaohsiung Environmental Protection Bureau Division No. 20-113-060051	Paragraph 1, Article 20 of the Air Pollution Prevention Law	225	At the Taiwan Highpolymer Linyuan Plant, an equipment component inspection revealed a detection value of 3,402 ppm, violating Article 4 of the "Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards".	Replace the equipment components and recheck the total number of equipment components in the plant to avoid omissions. Strengthen self-management.
06/27/2024 Kaohsiung Environmental Protection Bureau Division No. 20-113-060052	Paragraph 1, Article 23 of the Air Pollution Prevention Law	225	At the Taiwan Highpolymer Linyuan Plant, the surface of the process wastewater collection trench was exposed to the atmosphere. The detected concentration of volatile organic compounds was 3,141 ppm, which does not comply with Article 38 of the "Volatile Organic Compounds Air Pollution Control and Emission Standards."	The uncovered sections of the wastewater trench at the wastewater treatment area were re-covered, and trench covers were lined with vibration-damping pads to reduce VOC emissions.
11/20/2024 Kaohsiung Environmental Protection Bureau Division No. 20-113-110050	Paragraph 2, Article 24 of the Air Pollution Prevention Law	160	On March 26, 2024, an inspection found that the exhaust gas from the Taiwan Highpolymer Linyuan Plant was being directed to the tail gas decomposer at the TVCM Linyuan Plant at a flow rate of 85.0356 kg/hr during March 19–26, which exceeded the 31.68 kg/hr limit specified in the operating permit. A 90-day deadline for corrective action was imposed.	A permit modification application was submitted.
12/10/2024 F.H.K.Z No. 1130065767	Subparagraph 1, Paragraph 1, Article 32 of the Air Pollution Control Act	450	On October 19, 2024, a fire occurred at the Huaxia Toufen Plant. Residual waste from the fire reignited on November 8, 2024, resulting in the emission of particulate pollutants.	The residual waste from the disaster was subsequently cleared.
12/24/2024 F.X.T.Z No. 1130020833	Paragraph 2, Article 15 of the Fire Services Act	300	The outdoor tank area for Category IV public hazardous materials at CGPC Toufen Plant was found with bund walls penetrated by piping.	The piping penetrating the bund walls has been removed and sealed.
12/24/2024 F.X.J.Z No. 1130020757	Subparagraph 1, Paragraph 1, Article 21-1 of the Fire Services Act	600	On November 8, 2024, a fire occurred at CGPC Toufen Plant. Necessary rescue information was not provided to the fire command personnel.	Rescue-related information is to be provided to fire command personnel as required.
01/09/2025 Kaohsiung Environmental Protection Bureau Reference No. 11430442200	Paragraph 1, Article 20 of the Air Pollution Prevention Law	1,650	On December 13, 2023, perimeter VOC sampling at the TVCM Linyuan Plant detected chloroform at 419 ppb and 1,2-dichloroethane at 152 ppb, exceeding the standards of 90 ppb and 150 ppb.	A project to improve the efficiency of the stripping tower for wastewater pretreatment and reduce VOC emissions by lowering the temperature of raw wastewater was implemented and



Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
			respectively.	completed during the September 2024 turnaround.
01/09/2025 Kaohsiung Environmental Protection Bureau Reference No. 11430442201	Paragraph 1, Article 20 of the Air Pollution Prevention Law	100	On March 26, 2024, equipment component inspections at the TVCM Linyuan Plant detected four values of 2,983, 3,662, 2,497, and 2,334 ppm, all exceeding the Kaohsiung City standard of 2,000 ppm for VOC emissions from equipment components.	Improvements were completed on March 27, 2024. The plant conducts outsourced inspections twice per quarter, and any components exceeding the standard are recorded and tracked for improvement progress.
01/09/2025 Kaohsiung Environmental Protection Bureau Reference No. 11430442202	Paragraph 2, Article 24 of the Air Pollution Prevention Law	100	On March 26, 2024, an inspection at the TVCM Linyuan Plant found that a waste gas pipeline connected the hydrochloric acid generator E010 and buffer tank E048, but this pipeline was not listed in the permit.	The orange waste gas pipeline for E010 has been removed.
05/03/2024 Kaohsiung Environmental Protection Bureau Division No. 20- 113-050005	Subparagraph 1, Paragraph 1, Article 32 of the Air Pollution Control Act	225	On March 27, 2024, the Environmental Protection Bureau Inspection Division conducted a black smoke emission inspection at the Delta Chemical Linyuan Plant. The investigation found that black smoke was emitted from the RTO pipeline in Zone 26 due to insufficient calorific value, violating Subparagraph 1, Paragraph 1, Article 32.	All process and utility areas must notify the Zone 26 shift supervisor before startup and shutdown. The supervisor is to monitor RTO operation during these periods and adjust RTO operating parameters accordingly. All process areas must ensure downstream units are fully informed of startup and shutdown activities.
11/06/2024 Kaohsiung Environmental Protection Bureau Division No. 20- 113-110016 and No. 20- 113-110018	Paragraph 1, Article 20 of the Air Pollution Prevention Law	300	On July 4, 2024, the Environmental Protection Bureau conducted an inspection of equipment components at the Delta Chemical Linyuan Plant. Two components were found to have VOC leakage concentrations exceeding the Kaohsiung City standard of 2,000 ppm, violating Paragraph 1, Article 20 of the Air Pollution Control Act.	The two leaking components—the cover gap of the water seal tank in Zone 22 (P2238(O01)) and the drainage barrel of the settling tank in Zone 24 (A04-O01)—were rectified on-site during the inspection. A follow-up inspection by a third-party testing agency on July 5 confirmed the components met the standards, and the results were submitted to the Environmental Protection Bureau as proof of correction. Issue 1: VOC levels exceeded the standard due to a gap in the cover of the water seal tank (P2238(O01)) in Zone 22. The seal was repaired, and routine replacement of the tank water was implemented. Issue resolved. Issue 2: The drainage barrel of the settling tank (A04-O01) in Zone 24 showed excessive VOCs. Drainage operation standards were revised: barrels are now immediately removed from the processing area after discharge, the contents are emptied into the wastewater treatment facility, and empty barrels are covered. Issue resolved.
12/19/2024 No. 40-113-120008 and No.: 40-113-120009	Violations: Paragraph 1, Article 36 of the Waste Disposal Act, and Subparagraphs 1 and 4, Paragraph 1, Article 6 of the Regulations Governing the Storage, Clearance, and Disposal of Industrial Waste.	12	On August 26, 2024, the Southern Environmental Management Center of the Ministry of Environment conducted an audit of Line A in Zone 26 at the Delta Chemical Linyuan Plant. It was found that a barrel beside the extruder contained a mixture of extruded material (ABS waste by-products) and domestic waste (used floor mats and employee trash), violating Paragraph 1, Article 36 of the Waste Disposal Act and Subparagraphs 1 and 4, Paragraph 1, Article 6 of the Regulations Governing the Storage, Clearance, and Disposal of Industrial Waste.	(1) The mixed waste was promptly removed from the plastic barrel, and the barrel was labeled with the appropriate waste code (D-0299 Mixed Plastic Waste). (2) Conduct training for on-site operators and post notices to promote awareness and prevent the mixing of waste materials during storage.

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

1. Reinforce the inspections for equipment.

- (1) On-site personnel are to conduct weekly inspections within designated responsibility areas.
- (2) Perform irregular infrared scans.

- (3) The Environmental Protection Section conducts monthly supervision and random sampling of equipment components.
- (4) A certified testing company approved by the Ministry of Environment is commissioned quarterly to conduct plant-wide inspections.
- (5) Replace high-leakage-risk valves with low-leakage types.
2. Adjust the operation of the exhaust gas combustion tower.
  - (1) Set the steam-to-waste gas weight ratio between 15% and 50% through control room system settings.
  - (2) Strengthen the control of operating procedures during process start-up; reduce nitrogen or steam purging pressure in pipelines to prevent pressure buildup in the system, thereby avoiding unintentional activation of pressure relief valves.
3. Comply with relevant environmental protection and occupational safety and health regulations, as well as relevant requirements derived from such regulations.
4. Sustainable energy saving, regeneration and industrial waste reduction.
5. Prevent pollution, reduce potential risks in operations.
6. Continue to provide employees with education and training, implement measures related to environmental protection and occupational safety and health.
7. Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health.
8. Thoroughly implement the environmental management system to enhance environmental performance and reduce environmental risks in the community.
9. Continue promoting the Occupational Health and Safety Management System (ISO 45001) to provide a safe and healthy workplace through risk prevention and continuous improvement related to incidents.
10. Implement ISO 14064-1 management system for all potential sources of greenhouse gases within the organization, and conduct emission source inventory and data collection.

The material environmental protection expenses of the Company in the most recent fiscal year up to the publication date of this annual report are as follows:

Unit: NT\$ thousand

Pollution Prevention Equipment Installed or Expenditure Content		Amount
1.	Additions of gas detector system in Renwu Plant No. 1 (Phase II)	3,476
2.	Boiler graphic control system update operation in Renwu Plant No. 1	400
3.	Improvement of explosion-proof electrical system in Renwu Plant No. 1	208
4.	760 Feeder GCB Renewal Project in Renwu Plant.	5,760
5.	Purchase and construction of V-207B V-208B V-209B operation platform in Renwu Plant.	48
6.	Purchase of C-line F/G Compressor Cooler with permanent fixed platform in Renwu Plant	49
7.	FL-9812 new filter cloth backwash pipeline in Renwu Plant	84
8.	C-9205 Hydrogen Compressor shutdown and discharge to TO furnace pipeline in Renwu Plant	293
9.	Modification of shutdown emissions for TO furnace No. 2 at Renwu Plant	543
10.	Improvement of BLOWDOWN system in Renwu Plant No. 1	662
11.	Improvement of sewage sludge decontamination in wastewater pond in Renwu Plant	768
12.	Modifier Injection Pump J-220E renewal project (E) in Renwu Plant No. 1	517
13.	Pollution control facilities installed or related expenditures at Linyuan Plant	67,764
14.	Installation of integrated direct-fired boiler equipment at Linyuan Plant	139,264
15.	Addition of emergency reactor venting system at L1, Linyuan Plant	8,762
16.	Heat and coolness reservation construction project and 2024 CUI inspection in Linyuan Plant	1,111
17.	Expansion of the waste storage area in Linyuan Plant	827
18.	L1 primer Pump D/E table replacement and renew in Linyuan Plant	632
19.	Installation of C-3504 energy-saving program for L4 conveyor compressor in Linyuan Plant	6,045
20.	Acquisition of spare parts for the first and second reactor motor of Linyuan Plant	67,764



Pollution Prevention Equipment Installed or Expenditure Content		Amount
21.	Area 25 (SUKA SAN process area) P2572-2 is replaced by high efficiency pump in Linyuan Plant	310
22.	Area 82 A (sewage treatment area) PVA carrier tank carrier purchase spare parts in Linyuan Plant	640
23.	Renovation project of waste storage area in Linyuan Plant	300
24.	Maintenance and repair of incinerator in Linyuan Plant	700
25.	Addition of high-level alarm and interlocked shut-off feed valve to EB storage tank D2490 in Area 24, Linyuan Plant, with valve opening at low level	287
26.	Area 81 combustion tower 10S steam pipeline (air seal) additional control valves in Linyuan Plant	250
27.	Material upgrade of WWR source pipeline to stainless steel in Area 82, Linyuan Plant	280
28.	Replacement of P6210-4 with high-efficiency pump at Linyuan Plant	284
29.	Replacement of energy-saving air dryer in EPS process, using a regenerative air dryer to achieve environmental protection and energy-saving effects in Cianjhen Plant.	234
30.	Replacement of air compressor in EPS process, purchasing a variable frequency air compressor to ensure stable compressed air supply and reduce energy consumption in Cianjhen Plant.	2,165
31.	Replacement of old MELTING PUMP motors with five IE3 high-efficiency motors in the GPS process to achieve energy saving and carbon reduction in Cianjhen Plant.	9,233
32.	Procurement of nine gear reducers (including replacement with high-efficiency IE3 motors) in the EPS process to reduce energy consumption and improve efficiency for energy saving and carbon reduction in Cianjhen Plant.	2,175
33.	Replacement of adsorption tank filter plates in the GPS process to prevent process disruption and environmental leakage in Cianjhen Plant.	859
34.	Replacement of extruder level detectors in the GPS process to prevent process disruption and environmental leakage in Cianjhen Plant	426
35.	Replacement of insulation for the reaction tank in the GPS process to avoid energy loss and achieve energy saving and carbon reduction in Cianjhen Plant.	226
36.	Replacement of SLURRY PUMP in the EPS process with an IE3 high-efficiency motor to achieve energy saving and carbon reduction in Cianjhen Plant.	337
37.	Replacement of chiller in the MCC room of the EPS process to prevent damage and failure of instrumentation equipment, ensuring production safety and avoiding environmental pollution in Cianjhen Plant.	266
38.	Purchase of mechanical seal spare parts for the agitator in the GPS process to prevent seal failure that may cause process anomalies and environmental pollution in Cianjhen Plant.	538
39.	Purchase of cooling water control valve spare parts in the EPS process to avoid corrosion and wear that may lead to shaft leakage and environmental pollution in Cianjhen Plant.	432
40.	Procurement of seal-less pump spare parts in the EPS process to prevent VOCs leakage due to equipment failure in Cianjhen Plant.	292
41.	Periodic major maintenance of air compressors in the EPS process to improve operational efficiency and achieve energy saving and carbon reduction in Cianjhen Plant.	320
42.	Full cleaning project of the electrostatic precipitator in the GPS process to ensure compliance with environmental regulations and permit requirements in Cianjhen Plant.	256
43.	Improvement of styrene VOC system to ensure compliance with environmental regulations and permit requirements in Cianjhen Plant.	795
44.	Improvement of resin tower in the pure water system in the utility area to increase water production efficiency and save water in Cianjhen Plant.	826
45.	Improvement of air ducts in the GPS packaging system to prevent environmental pollution in Cianjhen Plant.	229
46.	Improvement of sludge system in the wastewater treatment plant in the utility area to ensure compliance with environmental regulations and permit requirements in Cianjhen Plant.	360
47.	Cold insulation repair of SM storage tanks to prevent abnormalities and energy waste, aiming for process safety and carbon reduction in Cianjhen Plant.	2,047
48.	Improvement of GW wastewater pipeline in Toufen Plant.	355
49.	Replacement of air compressor #1 with energy-saving equipment in Toufen Plant.	2,650
50.	Improvement of GW fire-fighting equipment in Toufen Plant.	481
51.	Replacement of dust collection filter bags in Toufen Plant.	152
52.	Improvement of rainwater recovery piping in Toufen Plant.	324
53.	Improvement of drainage pipes for electrostatic precipitators in Toufen Plant.	57

Pollution Prevention Equipment Installed or Expenditure Content		Amount
54.	Improvement of sewage overflow in wastewater tanks in Toufen Plant.	28
55.	Cleaning of electrostatic precipitators in Toufen Plant.	105
56.	Construction of lubrication oil spill containment embankment in Toufen Plant.	20
57.	Purchase of new vibrating screens for washing pools in Toufen Plant.	603
58.	Replacement of coolers for #2 air compressor in Toufen Plant.	137
59.	Replacement of coolers for #5 air compressor in Toufen Plant.	137
60.	Costs for environmental protection related to exhaust gas and wastewater monitoring in Zhongshan Plant.	2,305
61.	Maintenance and repair costs for exhaust gas and wastewater monitoring instruments in Zhongshan Plant.	790
62.	Commissioned service fee for national emissions and Taiwan accounts in Zhongshan Plant.	203
63.	Installation of SiCC pickling line exhaust hood in Taoyuan Plant.	148
64.	High-temperature furnace exhaust system in Taoyuan Plant.	995
65.	C2-1F exhaust system in Taoyuan Plant.	525
66.	1700PP dust collection exhaust hood in Taoyuan Plant.	190
67.	Replacement and maintenance of air impeller for washing tower exhaust fan in Taoyuan Plant.	95
68.	Rectification of wastewater treatment plant in Taoyuan Plant.	1,180
69.	1700PP dust collection exhaust hood in Taoyuan Plant.	380
70.	Modification of central walkway exhaust pipeline in Taoyuan Plant.	80
71.	High-temperature furnace exhaust system in C1 area in Taoyuan Plant.	1,271
72.	Reinforcement of hydrochloric acid pipes and encapsulation of spill containment boxes for SiCB pickling equipment in Taoyuan Plant.	45
73.	Rectification of central walkway drainage in Taoyuan Plant.	76
Total		343,376

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

Unit: NT\$ thousand

Proposed Pollution Prevention Equipment or Expenditure		Amount
1.	Underground pipeline relocation project for the Northeast Metering Station of CPC Kaohsiung Plant in Renwu Plant	20,000
2.	Addition of gas detector system in Renwu Plant No. 1 (Phase III)	1,800
3.	Safety improvement of material storage racks in Renwu Plant	1,000
4.	Pipeline optimization project for the tank area in Renwu Plant	700
5.	Replacement of starting agent pump (L2) in Linyuan Plant	33,500
6.	Replacement of flare mother fire system and fuel pipelines in Linyuan Plant	2,790
7.	Addition of ethylene recovery pipeline at L12 second-stage compressor section in Linyuan Plant	2,450
8.	Replacement of B2644A-1 Lur-style blower at 26th area (ABS process area) in Linyuan Plant	300
9.	Specification change and replacement of B3403-3, B3403-4, and B3403-5 Lur-style blowers at 34th area (SAN tank area) in Linyuan Plant	840
10.	Modification of bottom discharge pipeline in B-line flotation tank and partial modification of B-line wastewater process at 82nd area (wastewater treatment area) in Linyuan Plant	230
11.	Replacement of ice water units (M6301-4) at public area in Linyuan Plant	6,280
12.	Replacement of wastewater booster pump (P8242-3) at 82A area (wastewater treatment area) and aeration blower (B8266B-2) at 82B area (wastewater treatment area) in Linyuan Plant	470
13.	Addition of pressure transmitters to D1307-1/2 settling tank, D1308-1/2 RBD tank in Area 13, and control valve (PV-2101-1/A) for 21st area RBD reflux pipeline, with monitoring in the control room in Linyuan Plant	1,340
14.	Addition of FIT connection and DCS monitoring of AN feed pipeline in 22nd area (ABSL process area) in Linyuan Plant to improve reliability of FQIC-2205/A/C	840
15.	Addition of FIT connection monitoring for three-line RBD feed pipeline in 21st area (PBDL process area) in Linyuan Plant to improve reliability of FQIC-2103/A/C	1,240
16.	Discharge connection of D1307-1/2 settling tank 20NOH to C-line NOH wastewater barrel (D1314C) at 13th area (BD refining and storage area) in Linyuan Plant	170



Proposed Pollution Prevention Equipment or Expenditure		Amount
17.	Modification and failure handling of sludge dryer heating system at 82B area (wastewater treatment area) in Linyuan Plant	2,690
18.	Addition of a diaphragm-type level gauge and alarm connection to DCS for D2521-2 tank at 25th area (SUKA SAN process area) in Linyuan Plant	200
19.	Update of natural gas (TV2) control valve and WBD control valve (TV3) to leak-resistant models in 25th/27th area boilers in Linyuan Plant	450
20.	VOCs detection instruments (ppb level) in Linyuan Plant	270
21.	Maintenance and repair of incinerator in Linyuan Plant	1,100
22.	Replacement of TAP-I PBDL feed pump (P2134-1) at 22nd area (ABSL process area) in Linyuan Plant	280
23.	Replacement of control valves at 24th/25th area (SUKA SAN process area) in Linyuan Plant	1,530
24.	Purchase of spare sensor for oxygen analyzer in secondary flue of incinerator in Linyuan Plant	120
25.	Addition of an online spare unit for the new RTO (Regenerative Thermal Oxidizer) combustion air blower (B8172-3) in Linyuan Plant	590
26.	Spare unit for incinerator induced draft fan in Linyuan Plant	600
27.	Addition of gas detectors and emergency natural gas shut-off valves for new and old RTO systems at Linyuan Plant	430
28.	Replacement of rusty combustion machine in old RTO, addition of high-pressure alarm and interlock system at outlet of NG mother fire pipeline (HV8173B), and installation of a differential pressure gauge at the explosion-proof box in Linyuan Plant	930
29.	Update of flow meter for WBD boiler in 27th area (TOYO SAN process area) in Linyuan Plant	200
30.	Replacement of feed pump (P2515-3) with a seal-less centrifugal pump at 25th area (SUKA SAN process area) in Linyuan Plant	470
31.	Addition of pressure transmitter signals to DCS for the inlet pipeline to the water seal tank (D8102 & D8102C) in the combustion tower in 81st area	290
32.	Design of energy consumption monitoring AI software for the public area in Linyuan Plant	600
33.	Change of material for WWR source pipeline to stainless steel at C-line indoor area of 26th area (ABS process area) in Linyuan Plant	300
34.	Replacement of TAP-II PBDL feed pump (P2134-2) at 22nd area in Linyuan Plant	215
35.	Purchase of AI smoke detection software and hardware equipment in Linyuan Plant	1,410
36.	Replacement of rusted bottom discharge pipelines in the metering tank (D8220-2) at 82A area in Linyuan Plant	250
37.	Purchase of spare parts for reduction gear in EPS process in Cianjhen Plant to prevent equipment failure affecting the process and causing environmental pollution, while achieving energy conservation and carbon reduction.	1,100
38.	Replacement of rotary sieve machine in EPS process in Cianjhen Plant to prevent equipment aging and malfunction, causing environmental pollution.	300
39.	Partial replacement of recovery condensate water pipeline in EPS process in Cianjhen Plant to prevent pipeline corrosion and leakage, causing water resource wastage.	810
40.	Replacement of resin in water softening system in the public area in Cianjhen Plant to prevent water quality from exceeding standards, causing process abnormalities.	250
41.	Update of automatic drain valve for air reservoir in EPS process in Cianjhen Plant to prevent energy loss, achieving energy conservation and carbon reduction.	460
42.	Purchase of spare parts for centrifugal dryer filter mesh in EPS process in Cianjhen Plant to prevent excessive energy consumption due to aging equipment, achieving energy conservation and carbon reduction.	1,100
43.	Purchase of spare parts for mechanical shaft seals of chiller in GPS process in Cianjhen Plant to prevent equipment malfunctions and leakage, causing environmental pollution.	600
44.	Purchase of spare parts for maintenance of heat transfer oil pump in GPS process in Cianjhen Plant to prevent equipment failure due to aging, which affects the process and causes environmental pollution.	2,510
45.	Purchase of spare parts for multifunctional photoelectric sensors in heat transfer boilers in GPS process in Cianjhen Plant to prevent damage and failure of instrumentation, which affects production safety and causes environmental pollution.	250
46.	Purchase of spare parts for motor reduction gear in mixer in GPS process in Cianjhen Plant to prevent equipment damage, causing process abnormalities and environmental pollution.	350
47.	Partial replacement of fire water pipeline in EPS process in Cianjhen Plant to prevent	200

Proposed Pollution Prevention Equipment or Expenditure		Amount
	leakage due to corrosion, affecting fire-fighting capacity and causing water resource wastage.	
48.	Improvement of chimney emissions for WL production lines P006 & P007 in Toufen Plant.	8,800
49.	Installation of cover for the GW domestic sewage pool in Toufen Plant.	400
50.	Installation of softening equipment for process cooling towers in Toufen Plant.	1,000
51.	Replacement of O2 monitoring and automatic gas regulation system for spinning machines in Toufen Plant.	1,500
52.	Replacement of resin pipes in Toufen Plant.	560
53.	Replacement of #2 drying air blower (100HP) in Toufen Plant.	3,000
54.	Replacement of rubber mixing tank #3 in Toufen Plant.	600
55.	Replacement of main furnace transformer in Toufen Plant.	13,345
56.	Replacement of infrared heaters with natural gas-fired baking edges at the outlet of packaging machines in Toufen Plant.	370
57.	Rectification of ceiling line drying furnace energy supply method in Toufen Plant (evaluation for hot melt adhesive method in progress).	390
58.	After-furnace cooling fan (upgrade/standby) in Toufen Plant.	855
59.	Preheating system for purified water in Zhongshan Plant.	1,579
60.	Costs for environmental protection related to exhaust gas and wastewater monitoring in Zhongshan Plant.	2,500
61.	Maintenance and repair costs for exhaust gas and wastewater monitoring instruments in Zhongshan Plant.	1,400
62.	Commissioned service fee for national emissions and Taiwan accounts in Zhongshan Plant.	200
Total		131,304

(III) In response to the European Union's Restriction of Hazardous Substances Directive (RoHS):

The Company is RoHS-compliant, and the restriction has no effect in the Company's financial operations.

## V. Labor Relations:

(I) List the Company's employee welfare measures, continuing education, training, retirement system and implementation status, as well as agreements between the employer and employees and measures for protecting employee rights and interests:

1. Employee welfare measures

- (1) The Company provides a diversified and competitive salary system, on the premise of external competition, internal fairness and legality, and upholds the concept of sharing profits with employees to draw, retain, cultivate and motivate outstanding talents. The remuneration of the Company's employees consists of monthly salaries, bonuses for production performance, and employee compensation for the distribution of each year's earnings.
- (2) In order to maintain the overall salary competitiveness, the Company conducts annual salary increase according to the profit situation, market salary level, price index, company salary policy, annual performance and development potential of colleagues. The salary increase range of employees in 2024 is about 3%. Employee compensation should not be less than 1% of the current year's profit. The total amount of employees' compensation distributed under the preceding paragraph shall not be less than 40% of the total amount for junior employees.
- (3) The Company rewards employees for their contributions and motivates them to continue their efforts through employee compensation, so that the interests of employees and shareholders are directly aligned to create a win-win-win situation for the Company, shareholders and employees. The Company bases the distribution of employee bonuses on the results of the Company's operations while referring to the payout levels in R.O.C. industry. The amount allocated to each employee is based on individual contribution and performance.



- (4) As regards the compensation of employees of overseas subsidiaries, the Company not only sets reasonable and competitive salary levels in accordance with the local labor market conditions, but also makes reference to local laws and regulations, industry practices and the overall operating performance of each subsidiary to encourage its employees to make long-term contributions and grow with the Company.
- (5) The Company arranges regular employee health checkups every year. The head office in Taipei is equipped with fitness facilities and showers, and each plant is equipped with qualified nurse practitioners to provide employees with physical health care and medical assistance, as well as physiological leave and independent space for breastfeeding for female employees, and childcare and education organizations to provide childcare and parenting services.
- (6) Employees who have served in the Company for 3 months (or above), are entitled a birth allowance of NT\$10 thousand for each new born child in the family. The amount is doubled for twins. Employees' application for unpaid parental leave can be submitted before their children reach the age of three and the leave can be extended to up to two years.
- (7) The Company has established the Employee Welfare Committee and sets aside fund for the welfare fund in accordance with the Employee Welfare Fund Act. The Company manages the use of the employee welfare fund for various beneficial activities to promote the physical and mental health of employees. All employees of the Company are entitled to fair access to all benefits provided by the Employee Welfare Committee. The retention and use of the employee welfare fund are processed by the Employee Welfare Committee.

## 2. Workplace Diversity and Equality

In 2024, according to the characteristics of the petrochemical industry, although there is a slight difference in the ratio of male to female, it still approaches 1 to 1, showing the achievement of gender equality. (Compared with the full salary, the ratio of male to female in the middle and upper ranks was 1.16:1, and that of male to female in the general staff was 0.90:1; In terms of salary, the ratio of male to female is 1.29:1, and that of male to female is 1.02:1).

## 3. Employee education and training

- (1) Every year, the Company shall conduct surveys on requirements of employee training, and complete annual training plans in accordance with the Company's employee training regulations. The Company shall also create budget for the implementation of trainings. Employee functional training, management training, seminars, health talks and various types of conferences are all included in the scope of training. Employees can participate in learning through various learning methods including work instructions given by supervisors, classroom lectures, educational CDs or online learning.
- (2) In order to combine both employee training and promotion, the Company has specifically established general education courses for promotion in order to encourage employees to actively learn and study. Employees must complete the prescribed courses before they can be officially promoted.
- (3) For employees who demonstrate a strong willingness to learn and develop their potential, the Company provides grants for further education in local universities, which are supplemented with career adjustments in their respective positions in order to nurture leaders required by enterprises.
- (4) Employee training is recorded and archived. Every year, employees have to attend at least 8 hours of internal training, which is taken into account during employees' performance appraisal. At the end of each course, the Company conducts employee opinion surveys and prepares review reports. Satisfaction surveys will also be organized at the end of every year to collect employees' opinions and recommendations on employee training as a reference to improve training.
- (5) Employee Training Expenditures: The total training expenditures for 2024 amounted to NT\$8,599 thousand.

Name of Representative Training	Recipients	Name of Representative Training	Recipients
Fire Commander Skills Training Course for Taiwan Group in 2024	Renwu Plant	2024 Corrosion, Energy Consumption, and Overhaul Management Seminar for Chemical Plants	Renwu Plant
Real Fire Extinguishing Skills Training Course for Taiwanese Consortium in 2024	Renwu Plant	Introduction to Vibration: Fundamentals and Practice	Renwu Plant
2024 Ionizing Radiation Protection Safety Training	Renwu Plant	Pump Principles, Structure, Application, and Selection	Renwu Plant
2024 Catalyst Workshop	Renwu Plant	Hydraulic Tensioner Operation Introduction	Renwu Plant
Process Safety (PSM) Education and Training	Renwu Plant	Underground Pipeline Inspection and Emergency Response Self-Organized Training	Renwu Plant
ISO 9001:2015 Quality Management System Lead Auditor IRCA Certification Course	Renwu Plant	Key Points in Overhaul of Large Gear Reducers On-site	Renwu Plant
On-the-Job Occupational Safety and Health Training	Renwu Plant	Standard Document Training	General Staff
Corporate Rejuvenation Course	General Staff	Coating Thickness Gauge Training	Inspection Section
[Health Promotion] Impact of Winter Temperature Fluctuations on Blood Vessels and Mpox	General Staff	Blower Dismantling and Maintenance Operating Standards	Machine Repair Section
[Health Lecture] Long-Term Care 2.0 Program	General Staff	ISO 45001 vs. TOSHMS Comparison Training Session	Related employees
[Health Lecture] Understanding Gout and Hyperuricemia	General Staff	Carbon Capture, Utilization and Storage (CCUS) Workshop	Chiu, Ming-Huan
2024 Training for Emergency Response and Patrol Personnel for Underground Pipelines	Related employees	"Successful Leadership (Part II) – Talent Development Path"	Related employees
2024 Labor Education Training	Linyuan Plant Colleagues	Integrity Seminar – "Workplace Ethics: Stop, Look, and Listen"	General Staff
2024 Industrial Pipeline Emergency Response and Mobilization Effectiveness Testing	Related employees	Case Study: Construction Plan for Waste Heat Recovery Power Generation	Lin, Jun-Xu / Chiu, Ming-Huan
2024 Adjustment Briefing for the Government Electricity Rate	Related employees	Briefing on Application for the "Demonstration Project for Waste Heat and Cold Recovery Technology"	Related employees
2024 Ionizing Radiation Safety Training	Instrumentation and Electricity Section	04/30 Intelligent Petrochemical Seminar	General Staff
02/21 Labor Law Seminar	Hsu, Wen-Ching	2024 "Practical Training on Screening of Critical Equipment for Plant Safety"	Kuo, Hao-Sheng / Hsu, Pang-Yu
2024 First-Half EHS Training for the Southern Plant	Safety Office	2024 "Industry Upgrading and Innovation Platform – Talent Recharge Program" Course	Hu, Chen-Ti
Training and Emergency Drill for Underground Pipeline Maintenance (Monitoring) Personnel	Related employees	2024 First Half-Year Chemical Disaster Emergency Response and Regional Joint Defense Drill Observation at Linyuan Industrial Park	Yen, Sheng-Chung
Integrity Seminar – Supervisor Awareness of Workplace Misconduct	General Staff	2024 Industrial Pipeline Training – Technical Level	Related employees
AI Skills Training – Ethylene Purification Process Simulation and Optimization (Software Training)	Synthesis Section	2024 Industrial Pipeline Training – Basic Level	Related employees
Basic Maintenance Training for the Aventus Packaging Machine	Process Section	2024 Seminar on Hazard Prevention in Organic Solvent Operations	Yen, Sheng-Chung
Operating Standards for the Dismantling and Maintenance of C-1101 and C-1201 Secondary Compressor Cylinders	Machine Repair Section	2024 Ionizing Radiation Protection Series – Continuing Education	Related employees
CCD Defect Component Interpretation Training	QC Section 1	2024 Energy Conservation Promotion Seminar and Matchmaking Event	Chiu, Ming-Huan
Training on the Upgrade of the CCD Thin Film Defect Detection Equipment	QC Section 1	2024 Training on the Operation of the Mobile Emergency Alert Module by the Industrial Park Management Bureau, Ministry of Economic Affairs	Yen, Sheng-Chung
Training on Instrumentation and Electrical Maintenance for the CR-1001 Overhead Crane	Instruments and Electrical Section	2024 Seminar on the Old Labor Pension System, Practical Contribution, and the Labor Standards Act	Liao, Chun-Chin / Liao, Wen-Shih
Training on Interpreting Daily Analysis Reports	QC Section 2	2024 Seminar on Hazard Prevention for Special Chemical Substances	Lin, Shih-Wei
Operating Standards for the Dismantling and Maintenance of ET-1101 and ET-1201 Hot Melt Extruders	Machine Repair Section	2024 Occupational Safety Incident Prevention and Awareness Training for Industrial Parks	Yen, Sheng-Chung
Report on the ET-1301 Quick-Actuating Valve	Machine Repair Section	2024 Professional Training for Chemical Process Engineers – Process Safety Interlocks and Instrumentation Control	Chiu, Chin-Hui / Wang, Wei-Lien
Operating Standards for the Dismantling and Maintenance of the ET-1301 Hot Melt Extruder	Machine Repair Section	2024 Professional Training for Chemical Process Engineers – AI Applications and Rotating Equipment Maintenance	Related employees
GC8890 SCD System Training	QC Section 1	2024 Professional Training for Chemical Process Engineers – Design of Instrument Heating Systems and Selection of Rotating Equipment	Related employees
Operation Training for the HART 475 Communicator	Instruments and Electrical Section	2024 Professional Training for Chemical Process Engineers – Instrumentation Overview and Explosion-Proof Electrical Equipment in Petrochemical Plants	Related employees



Name of Representative Training	Recipients	Name of Representative Training	Recipients
Training on Interpreting IT Inspection Component Deviations	QC Section 1	2024 Corporate Sustainability Elite Training – Basic Course (Deloitte Session), January 22	Pan, Hsin-Hung
Standard Procedure Training for Cleaning Silos M-3401 to M-3404 – Line 3, Process Section	Process Section	API 585- Pressure Equipment Integrity Incident Investigation	Related employees
Training on the Interpretation of Abnormalities or Deviations in MI Instrument Inspection Components	QC Section 1	CPR and AED First Aid Training Course	General Staff
PL-1301A/B Pelletizer Modification Project	Machine Repair Section	Training on IFRS S1/S2 Sustainability Disclosure Guidelines	Related employees
Training for PSM Compliance Auditors	Environmental Protection Section	Training on ISO 14001:2015 Clause Interpretation	Related employees
Emergency Response Drill for RTO Equipment Abnormalities	Linyuan Plant Colleagues	Training on the ISO 14021 Recycling and Regeneration Management System	Related employees
RTO Furnace Training: Principles, Theory, Emergency Response, Simulation Drills, and Written Test	Linyuan Plant Colleagues	Training on ISO 14067 Product Carbon Footprint Calculation	Environmental Protection Section
VA%-IR Method Analysis Training	QC Section	Training on ISO 45001:2018 Clause Interpretation	Related employees
Introduction to First- and Second-Line Response Motors	Instruments and Electrical Section	ISO 9001:2015 Quality Management System Lead Auditor IRCA Certification Course	Lu, Zhong-Yi
General Safety and Health Education Training, and Introduction to Fire Equipment Operation	Linyuan Plant Colleagues	Training on ISO 9001:2015 Clause Interpretation	Related employees
Internal Promotion Training for Safety Office and Environmental Protection Section	Related employees	Manufacturer Training for Lambda 850+ UV-Visible Spectrometer	Related employees
Industrial Instrument Design and Maintenance Training: LINE3 Guided Wave Level Meter	Instruments and Electrical Section	LDS Application Practice and Development of Small Leak Technology Localization	Inspection Section
Gong Hai Pump Product Presentation and Training	Machine Repair Section	Highlights of PSM Cross-Plant Audit Briefing	Environmental Protection Section
Explanation of Differences in the Density Analysis Method between USI and APC	QC Section	On-the-Job Education for Acetylene Operation Personnel	Machine Repair Section
Training on Recycled Material Grade and ISO 14021 Certification Explanation	QC Section 1	Class B Boiler Operator Training	Liu, Guan-Cheng
Successful Leadership (Part 1): How to Accurately Identify Talent – Plant	Plant Manager's Office	Mitsubishi PLC Q Series Basic Course (Part 1)	Wang, Wei-Lien
A-Line Packaging Machine Training for the Automatic Storage Retrieval System	Instruments and Electrical Section	Promotion of Maternal Health Protection for Women Workers	Related employees
Training on Fault Elimination and Maintenance for Automated Storage and Retrieval Machines in the Automatic Storage Retrieval System	Instruments and Electrical Section	Industrial Pipeline Emergency Response – Command-Level Training	Wu, Yu-Ting
Mettler Toledo Metal Detector Training for the Automatic Storage Retrieval System	Instruments and Electrical Section	Internal Trainer Training – Teaching Activation Skills (Practical Exercise)	Related employees
Practical Training on Explosion-Proof Electrical Equipment	Instruments and Electrical Section	Professional Training Program for Chemical Process Engineers b	Huang, Chun-Jung / Wu, Meng-Yen
Overview of Various Emergency Response Explanations and Fire Safety Facilities for the QC Section	QC Section	Seminar on the Intelligent Application of Chemical Process and Equipment Safety	Hu, Chen-Ti
Training on Cylinder Cabinet Hydrogen Gas Detectors	QC Section 1	Chemical Thermodynamics	Huang, Bo-Hao
First-Grade Pressure Vessel (Re-training) – First-Grade Pressure Vessel Operation Safety Promotion	Process Section	Basic Design of Chemical Storage Tanks and Heat Exchangers	Huang, Bo-Hao / Liu, Yu-Zhi
Fluid Transport Design – Pipeline Pressure Loss Calculation	Synthesis Section	Reaction Engineering	Huang, Bo-Hao
Policy on the Improvement of Dietary Habits	General Staff	Type A Occupational Safety and Health Supervisor	Lin, Shih-Wei
Vibration Analysis Training Course and Practical Sharing	Engineering Department	Seminar on Hazard Classification, Labeling, and General Safety Measures for Hazardous Chemicals	Yen, Sheng-Chung
Trainings on Desktop Hot Press Forming Machine Vendors	QC Section 1	Seminar on Hazardous Area Classification Application Software	Huang, Bo-Hao
Fire Commander Skills Training Course	Related employees	Emergency Response Training for Underground Pipeline Bundled Systems – Introduction to Chemical Disaster Response Equipment	Safety Office
Density Meter and Viscometer Vendor Training	QC Section 1	Organic Solvent Operation Supervisor Training	Related employees
Data Interpretation Training after GC Analysis with Standard Additive Solutions	QC Section 1	Fire Prevention Manager Training Course	Yen, Shang-Hsing / Yen, Sheng-Chung
Standard Operating Procedures for Disassembly and Maintenance of Single-Suction Centrifugal Pumps	Machine Repair Section	Seminar on Explosion Hazard Area Classification and Application Software	Huang, Bo-Hao
Group PSM Training – PSM Auditor	Wang, Wei-Lien	Judicial Case Analysis on Contractor Management	Liu, Man-Shee
Technical Case Presentation	Plant Manager's Office	On-the-Job Training for Air Pollution Control Personnel	Hsu Chun-wei / Chen, Sheng-Te
New OMS Testing and Certification	Huang, Bo-Hao	Non-Destructive Testing Technical Training – UT Level 1 (including qualification certification)	Li, Meng-Tse
Training on Operation of New Topas Automatic Packaging Machine	Process Section	Non-Destructive Testing Training – VT Intermediate (written and practical examination)	Kuo, Hao-Sheng

Name of Representative Training	Recipients	Name of Representative Training	Recipients
Training on Introduction, Operation, and Cleaning Procedures of New Online COD Detection Tank for Wastewater (2 hours/person)	Process Section	Security Inspector Training Program, 91st Session (Kaohsiung Class)	Safety Office
New Employee Orientation Training	Related employees	On-the-Job Emergency Responder Training Course (Refresher Course)	Lee, Yi-Ta
Job Instruction for New Employees (Work Rules, Management System, Information Security Awareness, Safety and Health Education)	Related employees	Training on Application of Pipeline ISO and 3D Modeling Reverse Engineering Software	Plant Manager's Office
Usage and Maintenance of Precision Measuring Instruments	Inspection Section	Professional Response Personnel Training on Toxic and Concerned Chemical Substances	Related employees
Usage and Maintenance of Precision Measuring Instruments – Operation Training on Leeb Hardness Tester and Coating Thickness Gauge	Inspection Section	Design of Fluid Transport Pipelines, Basic Pump Design, and Pressure Loss Calculation for Control Valves	Legal Affairs Section
Emergency Generator Operation Training	Instruments and Electrical Section	NACE CP II Certification Renewal – Cathodic Protection Technician, National Association of Corrosion Engineers (USA)	Lin, Shih-Chuan
Training on Process Abnormality Response (Emergency Drill and Study for Scenarios Such as Power Outages)	Process Section	On-the-Job Training Course for Supervisors Responsible for Specific Chemical Substance Operations	Huang, Chun-Jung / Lee, Yi-Ta
Understanding the Characteristics and Terminology of Pumps	Huang, Bo-Hao	On-the-Job Training Course for Dust Operation Supervisors	Lee, Yi-Ta
Training on Suspended Solids Detectors at Wastewater Monitoring Stations	Instruments and Electrical Section	Certificate Renewal for Hypoxia Operation Supervisors	Liu, Man-Shee
Digital Asset Management Integration Platform (AMC)	Huang, Yuan-Hung	Speech at Kaohsiung Industrial Net-Zero Alliance – "From Urban Carbon Inventory to Implementing a Net-Zero Lifestyle"	Hsu, Chun-wei
Technical Safety Management of Existing Industrial Pipelines in Kaohsiung	Li, Meng-Tse	On-the-Job Training for Health Risk Assessment Personnel	Hsu, Chun-wei
High Pressure Gas Specific Equipment Operation	Related employees	Introduction to Field Instruments and Planning of Explosion-Proof Electrical Equipment in Petrochemical Plants	Huang, Bo-Hao
Participation in the Confined Space Hazard Prevention and Notification System Update Seminar	Lin, Shih-Wei	Industrial Smart Safety Knowledge Enhancement Activity (Southern Kaohsiung Session)	Huang, Chun-Jung
On-the-Job Training Course for Forklift Operations	Related employees	Innovation Lecture – Moving Forward with Courage, Surviving Adversity	General Staff
Reporting Seminar on Industry Energy Efficiency Indicators	Hu, Chen-Ti	Seminar on Amendments to VOC Air Pollution Control and Emission Standards Regulations	Chen, Sheng-Te
Category I Pressure Vessel Operation Safety Awareness Seminar	Related employees	Dengue Fever Specialist Training Program	Huang, Yung-Neng
Basic Design of Single-Phase Vessels and Gas-Liquid Separation; Basic Design of Immiscible Liquid-Liquid Separation	Huang, Bo-Hao	Hands-on Practice in Process Simulation	Legal Affairs Section
Design Practice for Nitrogen Sealing, Exhaust Treatment Safety, and Process Safety Interlock Systems	Related employees	GHG Inventory Honors Class	Pan, Hsin-Hung
Process Control	Legal Affairs Section	Integrity Seminar – Product Liability Without Fault!?	General Staff
Training on Group Internal Carbon Pricing (Southern Session)	Related employees	Risk Assessment Function Group Training for Piping Bundle Unit III: Multiple Pipeline Corrosion Detection Techniques	Related employees
Energy Conservation and Carbon Reduction Technologies	Related employees	Control Strategy Overview for Distillation Column/Heater–Boiler Chemical Units: Advanced Control and Strategy Formulation	Related employees
Laboratory Measurement and Calibration Management – Basic Course	Wu, Yu-Ting	Process and Mechanical Flow Diagrams, Instrumentation and Instrument Control (Control System)	Related employees
Piping Maintenance Group Training for Piping Bundle Unit III: Detection Techniques for Reducer Pipelines	Related employees	On-the-Job Training for Wastewater Treatment Personnel	Hsu, Chun-wei
Training for Process Safety Management (PSM) Audit Personnel	Related employees	Introduction and Design of Pressure Vessel Heat Transfer Gas; Rotating Machinery Design and Selection	Huang, Bo-Hao
Priority Chemical Management Briefing	Yen, Sheng-Chung	On-the-Job Training Course for Boiler Operators (Refresher Course)	Related employees
Hazard Prevention Awareness Session for Boilers and High-Pressure Gas Designated Equipment Operations	Ho, Sung-Lin / Lin, Wun-Min	Intelligent Petrochemical Seminar	Chuang, Chia-Fang
General Product Knowledge – Glass Wool Building Materials and PVC Eco-Friendly Materials	General and Related Personnel	Labor Law Seminar	Chuang, Chia-Fang
Carbon Trading Mechanisms and Carbon Management Applications	Related employees	Comprehensive Solutions for Systematic Optimization of Advanced Processes	Designated employees



Name of Representative Training	Recipients	Name of Representative Training	Recipients
Digital Transformation Creating a New AI Future – Generative AI Application Case Sharing	Related employees	Initial Training for Fire Prevention Administrators	Related employees
Ethics Seminar: Insider Trading Practices and Legal Liabilities	General Personnel	Incident Investigation Procedures, Hazard Identification, Risk Assessment and Control, and Case-Based Safety Training	Related employees
Ethics Seminar: Supervisory Awareness of Workplace Misconduct	Related employees	Respiratory Protective Equipment (RPE) Fit Testing Train-the-Trainer Program	Designated employees
Ethics Seminar: Product Liability Without Fault!?	Related employees	Social Engineering Exercise: Email Security and Phishing Prevention	Related employees
Ethics Seminar: Copyright Protection and Fair Use	General Personnel	Long-Term Care-Related Information	General Personnel
[Ethics Seminar] On the Prevention of Illegal Infringement in Workplace	Related employees	Introduction to Letter of Credit Insurance and International Trade Fraud Case Sharing	Related employees
Ethics Seminar: Workplace Ethics – Stop, Look, and Listen	Related employees	First Aid Personnel Training Course	First Aid Team Members
2024 Practical Simulation Training for Industrial Piping Bundle Units	Related employees	On-the-Job Training Course for Advanced and Command-Level Toxic and Concerned Chemical Substance Response Personnel	Professional technicians
Operating Guidelines for the 25kg Packaging Machine	Personnel from Raw Material Storage & Transportation Section	Process Training / Occupational Safety Promotion for Overlapping Section	Personnel from Overlapping Section
Practical Application Course on API 570 Pipeline Inspection and Maintenance	Related employees	Training on Fan Principles and Maintenance	Personnel from Maintenance Section
CMMS System User Training	Related employees	Heavy Machinery Operation: Loader Training	Operators
DCS disk control principle and operation training	Related employees	Pump Maintenance Overview and Shaft Seal Cooling Water Usage	Related employees
ESG Training Program	Designated employees	Refresher Training on Raw Material and Product Testing and Development	Personnel from Inspection Section
GCHS Gas Chromatography and Headspace Analyzer: Basic Principles and Applications	Designated employees	Training on Vibration Principles	Engineering Personnel
IATF 16949 Automotive Product Quality Management System: Internal Auditor Training	Internal Auditors	Refresher Training for Supervisors Handling Specific Chemical Substances	Related employees
Self-Defense Fire Brigade Training (Parts I & II)	Fire Brigade Personnel	Basic Concepts of Pneumatic Conveying Systems for Powders and Granules	Engineering Personnel
ISO 14001:2015 Environmental Management System Internal Auditor Training	Internal Auditor	Ultrapure Water Operation Training	Personnel from Utility Section
ISO 14064-1:2018 Greenhouse Gas Inventory and Carbon Management Certification Course	Related employees	On-the-Job Occupational Safety and Health Training for Personnel Operating in Oxygen-Deficient and Confined Spaces	Operators
ISO 9001:2015 Quality Management System Clauses and Internal Auditor Training	Internal Auditor	Energy Management Training	Related employees
OJT and Subordinate Development	Personnel at Section Chief Level and Above	Advanced Negotiation Techniques	Related employees
ISO 9001 & ISO 14064-1 & ISO 45001 & ISO 50001: Internal Auditor Training Program	Internal Auditors	On-the-Job Occupational Safety and Health Training for Operators of Specific High-Pressure Gas Equipment	Related Operators
ISO 14097: Course on Clause Analysis for Assessment-Level Reporting of Climate Change Investment and Financing Activities	Related employees	Health Promotion Lecture – 2024 In-Plant Health Checkup Analysis and Prevention of Lower Back and Neck-Shoulder Pain	Related employees
ISO System Management Framework Training (including Policy and Management-by-Objectives Programs)	Related employees	Initial and On-the-Job Training for Designated Health Risk Assessment Personnel	Related employees
SCE Safety-Critical Equipment Selection Training	Designated employees	Problem Analysis and Resolution Workshop	Related employees
TRCA Joint Defense Organization Training	Related employees	Fundamentals of Financial Cost Management	Related employees
UV–VIS Ultraviolet–Visible Spectrophotometer Basic Course	Inspection Personnel	Forklift Operator Training Course	Operators
On-the-Job Occupational Safety and Health Training Course for General Laborers	General Personnel	Special Topic Lecture: Intelligent Petrochemicals	Related employees
Training Course for Acetylene Welding Equipment Operators	Operators	Talk about the Group's B2C product development from scratch	Related employees
Training for Class A and Class B Boiler Operators	Operators	Net Zero Carbon Emission Strategy – Development of Geothermal Energy and Carbon Sequestration Technologies	Related employees
Ethylene Underground Pipeline Emergency Drill	Related employees	Product Carbon Footprint Training	Designated employees
Refresher Training for Type A, B, and C Occupational Safety and Health Supervisors	Related employees	Equipment Disassembly and Assembly Procedure Manual	Related employees
Human Resources Management: Personnel-Related SOP Course	Related employees	Safety drill and industrial safety promotion for power shutdown/restoration operations in the plastic sheet factory	Plastic sheet factory personnel

Name of Representative Training	Recipients	Name of Representative Training	Recipients
Training Class for Operators of Fixed Cranes Above 3 Tons	Related employees	Subordinate Development and Talent Planning Design	Personnel at Section Chief Level and Above
Common Civil Engineering Construction Defects and Basic Reinforcement of VCM Ball Sockets	Engineering Department personnel	Creating High-Performance Teams	Related employees
Attitudes Required for Civil and Building Engineering Construction Supervision and Key Points for Steel Structure Inspection	Engineering Department personnel	Weight Reduction Fitness Class (Part 1 and Part 2)	Related employees
Retraining on Bobcat Loader Courses	Operators	Training on Fermenter Operations	Related employees
Training on High-Flow Mobile Fire Monitors	Designated employees	Training on Shaft Seal Maintenance	Raw Material Processing Department
Promotion of Occupational Safety Cases and Control of Customer Quality Requirements	PVC Leather Section 2	Internal Training on Group Carbon Pricing	Related employees
Training on Work Safety Permits	Designated employees	Instruction on Group Training Platform Operation and Training Needs Survey	Related employees
Machine Learning and Digital Decision-Making in Chemical Processes	Related employees	Group Product Fundamentals: Recycled Plastic Anti-Corrosive Coatings	Related employees
Have You Taken a Break Today? Let's De-Stress and Relax Together	General Personnel	Group Product Fundamentals: Corporate Rejuvenation	General and Related Personnel
Official Document Writing and Case Study Workshop	Related employees	Group Product Fundamentals – Introduction and Applications of Ferrite Cores and Silicon Carbide	Related employees
Emergency Response Training for Utility Courses	Personnel from Utility Section	New Salt Loader Training	Personnel from Alkaline Chlorine Section
Delta V Configuration Training	Related employees	Energy Conservation and Carbon Reduction Practices – Chang Chun Experience Sharing	Related employees
Natural gas boiler operation education and training	Personnel from Utility Section	Training on Electrical Safety and Electric Shock Prevention	Personnel from Instrumentation and Electricity Section
Precautions for Operating FIBC Packaging Machines	Personnel from Raw Material Storage & Transportation Section	Laboratory accreditation standard ISO/IEC17025 training	Related employees
Training on Solar Power Emergency Response and Maintenance	Personnel from Electrical Control Section	Instructions for Operating Emergency Power Supply System	Related employees
"Risk Management" to Promote Sustainable Development of Enterprises	Audit Agent	Deployment of Emergency Suppressant	Related employees
PVC Powder Processing and Quality Key Points	Designated employees	Process Safety Management (PSM) Overview	Personnel in Process Safety
Quality Control of Processed Products and Customer Complaint Management	Personnel from Processing and Manufacturing Division	Introduction to Zero-Liquid-Discharge Wastewater Recycling System	Related employees
Principles and Processes of Extruder Pipe and Door Panel Manufacturing for Building Materials	Personnel from Processing and Manufacturing Division	Certification Test Inspection and Hands-on Training (Parts 1–4)	Personnel from Inspection Section
Introduction to Product Formulation and CNS Standards for Building Material Plants	Personnel from Processing and Manufacturing Division	Overview of Inkjet Printing Equipment	Personnel from Processing Technology Section
Training on Heating Furnaces and Manual Pressure Pumps	Personnel from Instrumentation and Electricity Section	Instrumentation Maintenance and Workplace Safety Training	Personnel from Adhesive Tape Maintenance Section
Level A Training for Dedicated Air Pollution Control Personnel (On-the-Job / New Hire / Basic)	Related employees	Instrument calibration and quality training	Personnel from Quality Inspection Section
Level A Training Program for Dedicated Wastewater/Sewage Treatment Personnel	Specialists	Management Strategies of Liu, Bo-wun and Fan, Wun-cheng	Related employees
Level A Training for Certified Waste Treatment Technicians	Professional technicians	Material Request and Shipping System Procedures	System Users
Goal Setting and Action Plan Development	Related employees	Maintenance of underground pipelines outside the plant	Related employees
Corporate Sustainability Training	Designated employees	Training on High-Pressure Inflation and Leak-Sealing Pads for Tank Trucks	Related employees
Managing Frontline Workforce: Challenges and Response Strategies	Related employees	Thermal Oil Pump Disassembly and Replacement: Steps and Precautions	Maintenance Personnel



Name of Representative Training	Recipients	Name of Representative Training	Recipients
Operational Guidelines for Automated Warehousing Equipment and ERP Integration	Personnel from Raw Material Storage & Transportation Section	Quality inspection operations for plastic sheets - AOI equipment	Personnel from Technical and Quality Section of the Plastic Sheet Factory
Occupational Safety, Health, and Emergency Response Training	Related employees	Guidance on standard replacement procedures for heat transfer oil circulation pumps in the plastic sheet factory	Personnel from Maintenance Section
Annual Refresher Training on Radiation Protection	Designated employees	Training on the principles, practical operations, and maintenance of plastic sheet machinery	Personnel from the Plastic Sheet and PVC Leather Section 1
Successful Leadership: How to Accurately Identify Talent	Related employees	Mechanical Maintenance Training and Workplace Safety Awareness	Personnel from Maintenance Section
On-the-Job Occupational Safety and Health Training for Supervisors of Hazardous Operations	Operation Supervisor	Train-the-Trainer Program: Practical Writing of Business Continuity Plans (BCP)	Designated employees
Training on Hazard Identification, Risk and Opportunity Assessment, and Control Management Procedures	Designated employees	Joint Training Course for Authorized Signatories of Environmental Testing Reports	Related employees
Safety Precautions for Handling Organic Solvents	Personnel from Inspection Section	Workshop on Basic Design Documentation for Replacement Projects	Engineering Department personnel
Effective Motivation and Leadership	Related employees		

#### 4. Employee Retirement System

Item	Labor Pension	
	Old	New
Legal Basis	Labor Standards Act	Labor Pension Act (Effective from July 1, 2005)
Proportion of Salary Contributed to Pension	The Company set up the "Labor Pension Reserve Supervision Committee," and contributes 12% of employees' monthly salaries to the pension reserve fund.	Employer: Employee's monthly salary 6% Employee: 0-6% per month (which can be fully exempted from employees' individual consolidated income tax amount of the current year)
Custodian Institution	Bank of Taiwan	Labor and Insurance Bureau
Eligibility and Application Method	When an employee whose service for a company constitutes the eligibility for pension payment in accordance with Labor Standards Act for the employee, the employer shall make such payment upon the employee's retirement.	At the age of 60, an employee may apply for return to the Labor Insurance Bureau for the accumulated amount in his/her individual pension account.
Degree of Employees' Participation in Pension Plan	100%	100%
Appropriation	Accumulated appropriation of NT\$1,807,916 thousand	NT\$172,471 thousand was allocated in 2024

Note:

- In old pension system, if the balance in the fund, after actuarial evaluation, is insufficient to pay to all employees qualified for retirement in following year, the Company shall make up the difference in one appropriation by the end of March in the following year. The appropriation shall be submitted to the Supervisory Committee of Labor Retirement Reserve for deliberation.
- The amended Labor Pension Act took effect on July 1, 2005. Employees who were hired prior to the enactment of the amended articles and remain working for the Company thereafter are allowed to choose between the amended or the old system until July 15, 2005. Those who failed to make decision before the aforementioned deadline shall continually apply to the old system. Those who choose the new system will be required to contribute to the new retirement pension starting from July 1, 2005; those who choose the old system (including those who do not choose the old system for the time being) will be allowed to change to the new system within five years (before June 30, 2010). Employees who are employed after July 1, 2005 or are re-employed after resignation after the aforementioned date shall be applicable to the amended pension system.
- Employees who are applicable to the amended pension system in accordance with the Labor Standards Act may not choose to be applicable to the old pension system.
- Provisions of Labor Pension Act applicable to the Company include the following:  
 Voluntary retirement:  
 A worker may apply for voluntary retirement under any of the following conditions: (the provisions shall apply, mutatis mutandis, to those who are in the amended Labor Pension Act system)  
 (1) Where the worker attains the age of fifty-five and has worked for fifteen years.  
 (2) Where the worker has worked for more than twenty-five years.  
 (3) Where the worker attains the age of sixty and has worked for ten years.  
 Mandatory retirement:  
 Unless any one of the following circumstances is met, the Company shall not force an employee to retire:  
 (1) Where the worker attains the age of sixty-five  
 (2) Where the worker is totally incompetent at work due to mental disorders or physical disabilities.  
 The Company may request the central competent authority to adjust the age prescribed above if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided. However, that the age shall not be reduced below fifty-five.  
 Pension payment standard:

- (1) Employees who have service seniority accumulated before or after the application of the Labor Standards Act, and choose to be applicable to the Labor Standards Act in accordance with Labor Pension Act or service seniority preserved before the application of the Labor Pension Act, shall have their retirement benefit paid in accordance with Article 55 and Article 84-2 of the Labor Standards Act.
- (2) Employees who have service seniority calculated according to the preceding pension payment standard and are forced to retire, an additional 20% on top of the amount calculated according to the preceding pension payment standard shall be given to the worker forced to retire due to disability incurred from the execution of their duties, as set forth in Subparagraph 2 of Paragraph 1 of Article 55.
- (3) For employees who are applicable to the provisions of the Labor Pension Act, 6% of the amount of employee's salary into employees' individual account of labor pension.
- Pension payment:  
The Company shall pay the due amount of pension within 30 days after an employee's retirement.

## 5. Labor-Management Agreements and Measures to Protect Employees' Rights and Interests

In order to establish a rule-based channel for agreements between the employer and employees, meetings are regularly held between the employer and employees in order to effectively solve problems between the employer and employees.

## 6. The status of obtaining relevant certificates and licenses as specified by the competent authorities for personnel involved in financial information transparency.

Unit	Name	Related Study License
Accounting Division	Kuo, Chuan-Hua	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
	Chang, Sheng-Chuan	Passed the Accountant Examination in the 2007 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination Certificate No.: (96) Chuan Kao Hui Tzu No. 000147
		Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation (September 19, 2024–September 20, 2024)
	Li, Chun-feng	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation (September 12, 2024–September 13, 2024)
Li, Chun-Yao	Certificate of Completion for Continuing Education for Principal Accounting Officers offered by the Accounting Research and Development Foundation	
Auditing Office	Chiang I-Ting	Certified Internal Auditor (CIA)
		Key Considerations and Impacts of IFRS S1 and S2 on Internal Control and Internal Audit Certificate No.: Audit of Beijingshaft No. 1131068
		Regulatory Analysis and Audit Focus of Board of Directors and Functional Committees (Audit, Remuneration) Certificate No.: Audit of Beijingshaft No. 1131428
	Li Ta-Cheng	Certified Internal Auditor (CIA)
		Certification of internal audit personnel's advanced study and test Certificate No.: Audit of Beijingshaft No. 1130059 Certificate No.: Audit of Beijingshaft No. 1130837
	Hsu, Liang-Wei	Internal Audit Association of the Republic of China Certificate No.: Audit of Beijingshaft No. 1131067 Certificate No.: Audit of Beijingshaft No. 1133530
		International Certified Internal Auditor certification Certificate No.: Chi Hsieh Cheng Tzu No. 1060022
	Lin, Chia-Hui	Internal Audit Association of the Republic of China Certificate No.: Audit of Beijingshaft No. 1137181
		Computer Audit Association Certificate No.: Audit of Beijingshaft No. 1135256
	Chuang, Chia-Fang	Internal Audit Association of the Republic of China Certificate No.: Audit of Beijingshaft No. 1135056
Internal Audit Association of the Republic of China Certificate No.: Audit of Beijingshaft No. 1131070		
Tu, Ying-Chun	Certified Internal Auditor (CIA)	
	Certificate of Completion of the Basic Competency Test for Internal Control of Enterprises by the Securities and Futures Market Development Foundation of the Republic of China (Taiwan)	
Jiang, Kang-Nian	Certified Internal Auditor (CIA)	
Kuo, Shih-To	Application of Big Data to Enhance Audit Operations Certificate No.: Audit of Beijingshaft No. 1131666	
	How Internal Auditors Interpret Financial Performance and Risk from IFRS Financial Statements Certificate No.: Audit of Beijingshaft No. 1135410	



## 7. Employee Code of Conduct or Ethics

In accordance with the Labor Standards Act and relevant laws, employees' work rules and various management systems (described below) have been established in order to maintain workplace discipline and order among employees.

- (1) Every employee is given a Employee Work Rules Handbook which specifies the behavior or work ethic of employees, including employment, dismissal, working hours, vacation, leave, rewards and punishments, performance appraisal, retirement and welfare.
- (2) Pre-employment training for new employees covers basic education on ethics, environmental protection, occupational safety and health management.
- (3) Signing of Letter of Undertaking by employees: This document establishes employees' commitment towards maintaining the confidentiality of information regarding the Company's tangible and intangible operating assets and prevents employees from infringing on the interests of the Company.
- (4) The Company's website discloses the following: Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers, Ethical Corporate Management Best Practice Principles, Procedures for Handling Material Inside Information and Procedures for Ethical Management and Guidelines for Conduct.  
For Employee Work Rules, please visit the Corporate Governance section under Investor Services on the Company's website: <https://www.usife.com>

## 8. Measures for the Protection of Employee Safety and Health and the Work Environment, and their Implementation Status

- (1) The Company has passed ISO 14001 and OHSAS18001 (completed in May 2020 and obtained ISO 45001 certificate, currently valid from April 21, 2025 to April 16, 2027) management system certification, and actively promotes energy conservation, disaster prevention, pollution prevention and other improvement activities.
- (2) In order to enhance self-inspection of all aspects of work safety, the Company complies with the "Group Safety and Health Partners Regional Joint Rescue" system recommended and guided by the South Labor Inspection Institute, and actively participates in the events organized by Renda Safety and Health Promotion Association.
- (3) The Company actively attends activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, as well as helps contractors build a safe and healthy environmental management system. In addition, the Company also participates in community events and cares for product protection in order to create a better living environment.
- (4) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides group insurance, annual health checkups, sports and fitness equipment, as well as organizes various outdoor recreational activities and talks on mental, emotional and spiritual health
- (5) With regard to employees' personal safety protection, the Company not only provides employees with personal protective equipment such as goggles, earplugs and earmuffs, as well as vertical fall arresters, but also continuously offers training related to employee safety, with hopes that manufacturing equipment can run safely in plants, thereby achieving production goals in a smooth manner.

## 9. Fulfilling Social Responsibilities

- (1) The Company makes contributions to our social and economic well-being.
- (2) The Company encourages its employees to participate in various service activities to promote community and social development.
- (3) The Company does its best to reduce the negative impact of its business activities on the environment in line with government regulations, and achieve the objectives of the Group's environmental policies (environmental protection responsibilities (carbon reduction and greenhouse effect reduction) such as using eco-friendly refrigerants and energy-saving lamps).

- (4)The Company does its best to take in to account local cultural and social traditions when conducting various business activities.
  - (5)The Company has always been committed to the principle of equal opportunities and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation.
- (II) In the most recent years as of the publication date of the annual report, the losses suffered due to the labor disputes (including matters with labor inspection results that violate the Labor Standards Act, the punishment date, the punishment font size, the provisions of the statute violated, the content of the statute violated, and the punishment content are listed), and the current and future estimated amounts and responding measures shall be estimated. If it cannot be estimated reasonably, state the fact that it cannot be estimated reasonably:

The Company has always attached importance to labor-management communication and harmony. On the basis of good labor-management relations, in addition to being committed to improving employee benefits, welfare, ability, and work environment, and the Company has maintained smooth communication channels to understand employees' difficulties and needs. Thus, all labor-management issues can receive attention from supervisors at all levels and can be communicated and resolved on the basis of mutual integrity. No loss has resulted from labor dispute in the most recent fiscal year up to the publication date of this annual report.

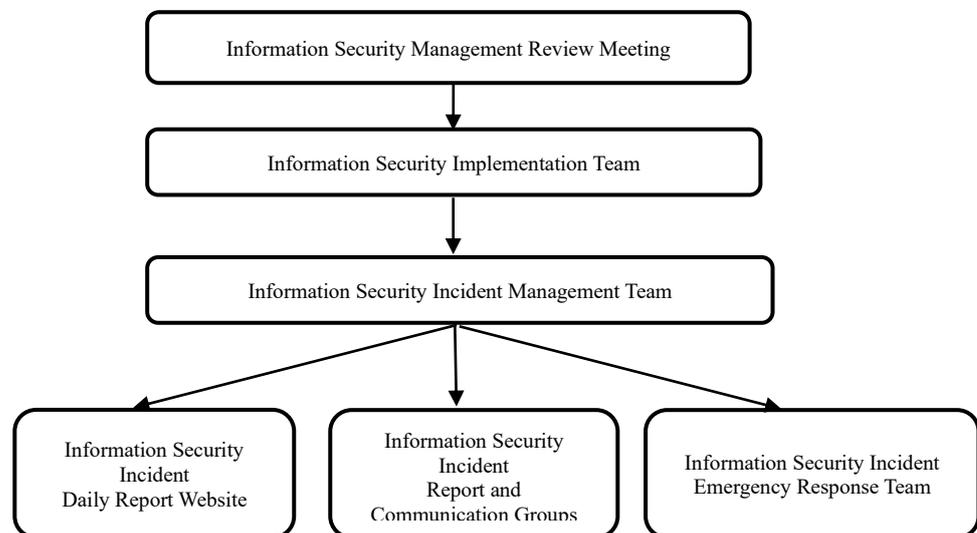
## VI. Information Security Management:

- (I) Explain the security risk management structure, security policy, specific management plan and resources invested in security management of Capital Communication.

### 1. Information security risk management framework:

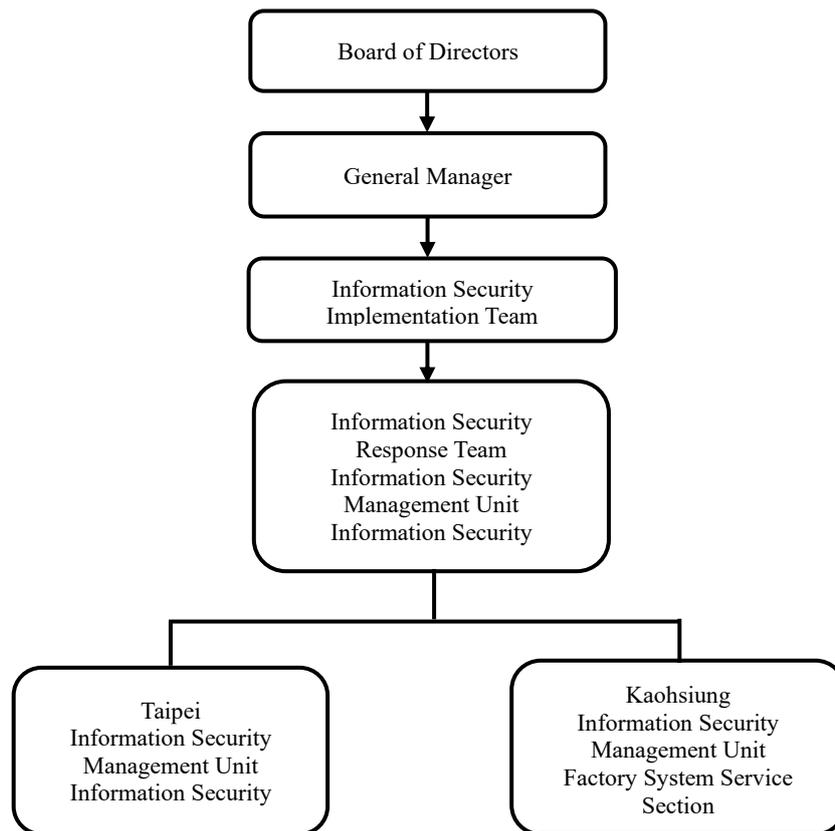
#### (1) Enterprise information security governance Organization:

The Information Security Management Review Meeting is held regularly every year. Adjudication of 6 major input items of asset security management system (handling status of previous management review proposals, changes of internal and external issues related to information security management system, feedback of information security performance, feedback from interested parties, results of risk assessment and status of risk treatment plan, and opportunities for continuous improvement) and agreement on 2 major output items of asset security management system (decisions related to opportunities for continuous improvement Policy, any need for changes to the information security management system) to achieve the objectives of the information security management system. The organisation chart of the Information Security Management Audit Committee is as follows:



#### (2) Enterprise information security Organization Structure:

We established the "Information Security Implementation Team" in accordance with the regulations defined in the "Information Security Implementation Organization Regulations" in the Company's internal standard operating procedures to supervise the implementation status of information security management of the Group and clarify the roles and duties of various organizations. The meeting is held once a year. If there is a major information security incident, it can be held immediately. The director of Information Technology Division serves as the convener of the team and is responsible for the convening of the team's meetings and the resolution and arbitration of its opinions; the heads of department under the Information Technology Division are team members. In the event of a major information security incident, the head of the information office will notify the general manager or the head of the relevant department. The organisation chart of the Information Security Facilitation Team is as follows:



**Responsibilities of Information Security Promotion Team:**

- Establish the information security risk management framework and information security policies
- Conduct information security risk assessments and analyses
- Information security maintenance and execution
- Verification of the effectiveness of information security operations

**2.Information Security Policy:**

**(1) Enterprise Information Security Management Policy and Structure**

● **ISO 27001 Info Security System:**

ISO/IEC 27001 has been established since 2014: In 2013, the Information Security Management system was continuously operated and promoted. Every year, the British Standards Institution (BSI), an external professional asset safety inspection and certification company, was invited to conduct the review. It has been certified for 10 consecutive years (the current certificate is valid from July 4, 2023 to October 31, 2025).

● **NIST CSF Info Security Management Framework:**

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

**(2) Enterprise information security Risk Management and continuous Improvement Framework**

Based on the ISO 27001 asset safety management system, supported by the NIST CSF asset safety management framework, strengthen the management of risks, enhance the resilience of asset safety and the ability to withstand, contain and quickly recover asset safety events, in order to continue to provide critical operational services.



### (3) Specific management plan:

- Scanning and detection of weaknesses: It has been carried out for six years in a row to periodically scan and detect the weaknesses of the server operating system, identify potential risks, modify the system or propose compensatory measures to improve the safety of the capital.
- Information asset management and control: Establish an information asset management platform, log in information assets, note asset items, use status, maintenance records, and conduct regular inspection and maintenance.
- Firewall and industrial control equipment: Adopts Palo Alto networks 3220, using a next-generation 7-layer firewall system to improve the filtering efficiency for incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure.
- Key server (SEVER) : Crowd Strike endpoint detection software is built, which uses non-feature matching artificial intelligence (AI) and machine learning (ML) mode to analyze the attack behavior in real time and block the known and unknown potential threats.
- Email: Use Microsoft Office 365 solution with advanced Threat protection (ATP) service mechanism to protect against unknown malicious code and viruses. The number of active Directory (AD) and Domain Controller (DC) hosts is gradually reduced to reduce the number of attack planes.
- Office equipment (IT) : Use the Trend Micro antivirus software to detect abnormal network behaviors. For example, monitor the user's login behavior to the Active Directory (AD) host.
- Annual security inspections are conducted on corporate laptops used outside the internal network to ensure compliance with the latest information security policies. This process helps to detect and remediate potential vulnerabilities in a timely manner and reduce the risk of external malicious threats or attacks.
- Personnel security management: Prevent incidents such as hacking or data leakage, and information personnel conduct at least four hours of information security education and training each year.
- Social engineering exercise: At least twice a year, the Company entrusts an external professional security consulting company to carry out social engineering drills, so as to effectively enhance employees' awareness of security, protect data from external intrusion and tampering.

### (4) Resources invested in security management:

Information security has become an important issue in the Company's operation. The corresponding information security management issues and resources invested in the program are as follows:

- Dedicated staff: A dedicated corporate organization, "Information Security Network Section", has been set up with a dedicated information security director and information security staff to be responsible for the Company's information security planning, technology introduction, and related auditing matters in order to maintain and continuously strengthen information security.
- Certification: Passed ISO 27001 information security certification for 10 consecutive years with no major deficiencies in related information security audits.
- Customer Satisfaction: No major information security incidents and no complaints about loss of customer data.
- Education and Training: All information personnel have completed two annual information security education and training programs. All Group employees conducted two social engineering phishing exercises, with a total of 4,356 participants.

- Investment expenditure: A total of about NT\$11,342 thousand
- Information Security Notices: 8 notices were issued.

(II) Major information security incidents:

State the losses suffered in the most recent year and up to the date of publication of the annual report as a result of major information security incidents, possible impacts and countermeasures, and if it is not reasonably possible to estimate, state the fact that it is not reasonably possible to estimate.

As of the date of publication of the annual report, the Company has not suffered any loss or possible impact due to major security incidents.

(III) Communications Security Risks and Response Measures

1. Risks to Information Technology Security:

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

2. IT security management measures:

- (1) The internal audit department of the Company and the external professional security consulting company will conduct the audit regularly. The external company also requests the British Standards Institution Taiwan Branch (BSI), an internationally renowned certification company, to conduct the ISO 27001 certification audit every year. In addition to reviewing the framework for information security risk management, provide guidance and prevention on internal and external issues, and conduct information security risk assessment and analysis. In addition to reviewing the information security risk assessment management framework, we also provide assistance and prevention measures for internal and external issues and conduct information security risk assessments and analyses.
- (2) A Multi-Factor Authentication (MFA) mechanism is fully implemented for the Group's web mail system, where in addition to first factor authentication via password, second factor authentication via a separate device is required in order to enhance security levels.
- (3) The Group's OT adopts Palo Alto networks 3220, using a next-generation 7-layer firewall system to improve the filtering efficiency for incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure.
- (4) Enhanced control of external devices for chemical control equipment: Restricted USB access to prevent data leakage and external security attacks from affecting the production line.
- (5) External storage media health check: Conduct comprehensive external storage media checks to minimize the risk of data loss and hidden security hazards on external devices through regular scans, inspections, and inventories.
- (6) Annual security inspections are conducted on corporate laptops used outside the internal network to ensure compliance with the latest information security policies. This process helps to detect and remediate potential vulnerabilities in a timely manner and reduce the risk of external malicious threats or attacks.
- (7) We appoint professional external information security consulting companies to conduct vulnerability assessments each year to identify potential risks for system corrections or propose remedial measures.
- (8) To enhance personnel information security management and prevent incidents such as hacking or data breaches, information personnel undergo a minimum of four hours of information security training annually. Additionally, security awareness is reinforced through the sharing of new information security knowledge.



## VII. Important Contracts:

Nature of Contract	Contracting Party	Contract Start/ End Date	Main Content	Restrictive Provisions
Ethylene purchase contract	CPC Corporation	January 1, 2024 - December 31, 2024	Annual volume and price of ethylene supplied to USI Corporation's Kaohsiung Plant	No
Ethylene purchase contract	Fujian Gulei Petrochemical Co., Ltd.	January 1, 2024 - December 31, 2024	Annual volume and price of ethylene supplied to USI Corporation's Kaohsiung Plant	No
Vinyl acetate purchase contract	Dairen Chemical Corporation	January 1, 2024 - December 31, 2024	Annual contract volume and price of vinyl acetate supplied to USI's Kaohsiung Plant	No
Vinyl acetate purchase contract	HELM	January 1, 2024 - December 31, 2024	Annual contract volume and price of vinyl acetate supplied to USI's Kaohsiung Plant	No
Vinyl acetate purchase contract	Sipchem	January 1, 2024 - December 31, 2024	Annual contract volume and price of vinyl acetate supplied to USI's Kaohsiung Plant	No
2021-1 Unsecured Bonds (A)	The trustee is Bank SinoPac Company Limited	June 23, 2021-June 23, 2026	USI Corporation issued corporate bonds worth NT\$1 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 0.63%.	No
2021-1 Unsecured Corporate Bonds (B)	The trustee is Bank SinoPac Company Limited	June 23, 2021 - June 23, 2028	USI Corporation issued corporate bonds worth NT\$1 billion in total; the bonds were fully issued at par value of NT\$1 million; a 7-year term with fixed interest rate of 0.73%.	No
2021-2 Unsecured Bonds (A)	The trustee is Bank SinoPac Company Limited	October 26, 2021 - October 26, 2026	USI Corporation issued corporate bonds worth NT\$0.7 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 0.63%.	No
2021-2 Unsecured Corporate Bonds (Tranche B)	The trustee is Bank SinoPac Company Limited	October 26, 2021 - October 26, 2028	USI issued corporate bonds worth NT\$1.3 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 0.77%.	No
Long-term Loan Agreement	Yuanta Bank	August 16, 2024 - August 15, 2027	USI Corporation - For improving financial structure and strengthening operating capital	No
Long-term Loan Agreement	First Commercial Bank	March 28, 2023 - March 28, 2026	USI Corporation - For improving financial structure and strengthening operating capital	No
Long-term Loan Agreement	Bank SinoPac	June 29, 2023 - June 30, 2026	USI Corporation - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Mizuho Bank	October 11, 2023 - August 25, 2026	USI Corporation - For improving financial structure and strengthening operating capital	No
Long-term Loan Agreement	Bank of China, Taipei Branch	October 28, 2023 - October 27, 2026	USI Corporation - For improving financial structure and strengthening operating capital	No
Long-term Loan Agreement	Taipei Fubon Commercial Bank	October 15, 2021 - December 15, 2027	USI Corporation - For funding the Phase II Kaohsiung Intercontinental Project	Maintain Certain Financial Ratios
Long-term Loan Agreement	E.Sun Commercial Bank	November 5, 2021 - October 15, 2027	USI Corporation - For funding the Phase II Kaohsiung Intercontinental Project	No
Joint Venture Contract	Ho Tung Chemical Corporation, LCY Group, Asia Polymer Corporation, Hsintay Petroleum Co., Ltd., Chenergy Global Co., Ltd., Lien Hwa International Corporation, CTCI Corporation, Fubon Financial Capital, HF Investment and other companies	December 18, 2019	USI Corporation and other nine companies jointly invested in the Gulei Industrial Park located in Zhangzhou, Fujian Province, China, to produce petrochemical-related products.	Restrictions on the transfer and pledge of shares.

Nature of Contract	Contracting Party	Contract Start/ End Date	Main Content	Restrictive Provisions
Joint Venture Contract	Ever Victory Global Limited and DOR PO Company	June 05, 2019	Jointly invested in Dynamic Ever Investments Limited before jointly investing in Gulei Park, Zhangzhou, Fujian Province, to produce petrochemical-related products.	Restrictions on the transfer and pledge of shares.
Material Purchase Contract	Dampier Salt Limited	January 1, 2024 - December 31, 2025	Hwa Hsia entered into a contract with Dampier for the purchase of industrial salts at a price to be agreed between the buyer and seller.	No
Material Purchase Contract	Formosa Plastics Corporation	January 1, 2025 - December 31, 2025	TVCM entered into a contract with Taiwan Plastic Industry Co., Ltd. for the purchase of Dichloroethane at a price to be agreed by the buyer and seller.	No
Material Purchase Contract	Mitsubishi Corporation	January 1, 2025 - December 31, 2025	TVCM entered into a purchase contract with Mitsubishi Corporation for the purchase of ethylene dichloride at a price to be determined by the buyer and seller.	No
Material Purchase Contract	CPC Corporation	January 1, 2025 - December 31, 2025	TVCM entered into a purchase contract with PetroChina for the purchase of ethylene at a price to be agreed by the buyer and seller.	No
Long-term Loan Agreement	Bank of China, Taipei Branch	March 15, 2024 - March 14, 2027	CGPC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Yuanta Bank	May 5, 2023 - May 5, 2026	CGPC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Chang Hwa Bank	December 27, 2024 - December 27, 2031	CGPC - For funding the Co-extrusion Tank Project	No
Long-term Loan Agreement	Chang Hwa Bank	February 15, 2022 - February 15, 2027	CGPC - For funding the Automated Warehouse Project	No
Long-term Loan Agreement	Yuanta Bank	April 15, 2022 - April 15, 2027	CGPC - For funding the Automated Warehouse Project	Maintain Certain Financial Ratios
Long-term Loan Agreement	Yuanta Bank	July 15, 2024 - July 15, 2029	CGPC - For funding the VCM Storage Tank Project	Maintain Certain Financial Ratios
Long-term Loan Agreement	Yuanta Bank	September 12, 2024 - September 11, 2026	CGPCPOL - For improving financial structure and strengthening operating capital.	Maintain Certain Financial Ratios
Long-term Loan Agreement	Bank SinoPac	August 21, 2023 - July 31, 2026	CGPCPOL - For improving financial structure and strengthening operating capital.	Maintain Certain Financial Ratios
Long-term Loan Agreement	Hua Nan Commercial Bank	September 15, 2023 - September 15, 2026	CGPCPOL - For improving financial structure and strengthening operating capital.	No
Long-term Loan Agreement	First Commercial Bank	December 8, 2023 - December 8, 2026	CGPCPOL - For improving financial structure and strengthening operating capital.	No
Long-term Loan Agreement	Taishin International Bank	November 27, 2024 - November 30, 2026	TVCM - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Cathay United Bank	October 15, 2021 - October 15, 2026	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	No
Long-term Loan Agreement	Taipei Fubon Commercial Bank	October 15, 2021 - October 15, 2026	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	Maintain Certain Financial Ratios
Long-term Loan Agreement	E.Sun Commercial Bank	November 15, 2021 - November 15, 2027	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	No
Long-term Loan Agreement	Bank of Taiwan	February 15, 2022 - February 15, 2027	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	No
Long-term Loan Agreement	Yuanta Bank	April 15, 2022 - April 15, 2027	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	Maintain Certain Financial Ratios
Material Purchase Contract	CPC Corporation	January 1, 2024 - December 31, 2024	Annual contract volumes and pricing for the supply of ethylene and propylene from APC	No
Material Purchase Contract	Dairen Chemical Corporation	January 1, 2024 - December 31, 2024	Supply agreement with APC for annual quantity and pricing of vinyl acetate	No
Long-term Loan Agreement	DBS Bank (Taiwan)	August 6, 2024 - August 6, 2027	APC - For improving financial structure and strengthening operating capital	No
Long-term Loan Agreement	First Commercial Bank	November 15, 2024 - November 15, 2027	APC - For improving financial structure and strengthening operating capital	No
Long-term Loan Agreement	Taishin International Bank	January 6, 2025 - November 30, 2027	APC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Mizuho Bank	August 30, 2023 - August 30, 2026	APC - For improving financial structure and strengthening operating capital	No
Long-term Loan Agreement	Yuanta Bank	October 13, 2023 - October 13, 2026	APC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Cathay United Bank	October 15, 2021 - December 15, 2027	APC - For funding the Phase II Kaohsiung Intercontinental Project	No
Long-term Loan	Bank of China, Taipei	October 28, 2023 - October	APC - For improving financial structure and	Maintain Certain



Nature of Contract	Contracting Party	Contract Start/ End Date	Main Content	Restrictive Provisions
Agreement	Branch	27, 2026	strengthening operating capital	Financial Ratios
Long-term Loan Agreement	Hua Nan Commercial Bank	October 15, 2021 - October 15, 2026	CGTD - For funding the Phase II Kaohsiung Intercontinental Project	No
Long-term Loan Agreement	Chang Hwa Bank	November 15, 2021 - December 15, 2027	CGTD - For funding the Phase II Kaohsiung Intercontinental Project	No
Purchase of material	Taiwan Styrene Monomer Corporation	January 1, 2023 - December 31, 2024 (renewed every two years)	Purchase of styrene from Taiwan Styrene Monomer Corporation to be supplied to Taita Chemical's Cianjhen Plant and Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties.	No
Purchase of material	Formosa Chemicals & Fibre Corporation	January 1, 2024 - December 31, 2024 (Contract renewal every year)	Purchase of styrene from Formosa Chemicals & Fibre Corporation to be supplied to Taita Chemical's Cianjhen Plant and Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties.	No
Purchase of material	CPC Corporation	January 1, 2024 - December 31, 2024 (Contract renewal every year)	CPC Corporation agreed to sell and supply butadiene to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the price set by CPC Corporation. Payment for the material must be settled on the 15 days of the following month after delivery.	No
Purchase of material	Formosa Petrochemical Corporation	January 1, 2024 - December 31, 2024 (Contract renewal every year)	Formosa Petrochemical Corporation agreed to sell and supply butadiene to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the price set by Formosa Petrochemical Corporation. Payment for the material must be settled on the 14 days of the following month after delivery.	No
Purchase of material	China Petrochemical Development Corporation	January 1, 2024 - December 31, 2024	China Petrochemical Development Corporation agreed to sell and supply acrylonitrile to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties. Payment for the material must be settled on the 15 days of the following month after delivery.	No
Purchase of material	CNOOC and Shell Petrochemical Co., Ltd (CSPC)	January 1, 2024 - December 31, 2024 (Contract renewal every year)	Import of styrene from CHOOC and Shell Petrochemicals Co., Ltd. to be supplied to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties, and a domestic letter of credit should be issued before shipment.	No
Purchase of material	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	January 1, 2024 - December 31, 2024 (Contract renewal every year)	SinoPec Chemical Sales (Huanan) Co., Ltd. agreed to sell and supply styrene to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties. Payment for the material must be settled before delivery.	No
Purchase of material	PetroChina Company Limited, South China Sales Branch	January 1, 2024 - December 31, 2024 (Contract renewal every year)	SinoPec Chemical Sales (Huanan) Co., Ltd. agreed to sell and supply styrene to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties. Payment for the material must be settled before delivery.	No
Technical Cooperation	TAICA (Japanese Company)	Starting from November 25, 1996, the request will be automatically extended every five years if there is no objection by both parties after the contract expires.	This contract involves the transfer of cubic printing technology, which is the first of its kind in the world and enables printing of various patterns on uneven surfaces (such as telephones, automobile parts and components), thereby enhancing the added value of products. This technology has been patented in many countries, including the United States, Japan, Canada, Germany, the Netherlands, France and the United Kingdom.	No
Provision of Technology	Owens Corning Company (U.S.)	April 1, 2024 - March 31, 2034	Provision of expertise to Taita Chemical with regards to the manufacture of glass	No

Nature of Contract	Contracting Party	Contract Start/ End Date	Main Content	Restrictive Provisions
	Company)		wool insulation products.	
Long-term Loan Agreement	Bank of China, Taipei Branch	July 26, 2024 - July 25, 2027	TTC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Taishin International Bank	June 20, 2024 - May 31, 2027	TTC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Yuanta Bank	May 05, 2023 - May 05, 2026	TTC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Entie Commercial Bank	May 17, 2024 - May 17, 2027	TTC - For improving financial structure and strengthening operating capital	No
Long-term Loan Agreement	Mizuho Bank	August 30, 2023 - August 30, 2026	TTC - For improving financial structure and strengthening operating capital	No
Medium-term Secured Lending Credit Limit Contract	Yuanta Commercial Bank	November 15, 2024 - November 15, 2029	ACME - Mortgage loan secured by land and plant of Taoyuan Plant; credit limit: NT\$870 million	There are limitations on current ratio and net debt ratio.
Medium-term Lending Limit Contract	Yuanta Commercial Bank	November 15, 2024 - November 15, 2029	ACME - Mortgage loan secured by land and plant of Taoyuan factory; credit limit: NT\$130 million	There are limitations on current ratio and net debt ratio.
Medium-term Secured Lending Credit Limit Contract	Yuanta Commercial Bank	December 15, 2023 - December 15, 2028	ACME - Mortgage loan secured by machinery and equipment of Taoyuan factory; credit limit: NT\$560 million	There are limitations on current ratio and net debt ratio.
Medium-term unsecured Lending Credit Limit Contract	Chang Hwa Commercial Bank	November 23, 2023 - November 23, 2026	ACME - Credit limit: NT\$300 million	No
Medium-term Unsecured Lending Limit Contract	Mega International Commercial Bank	October 6, 2024 - October 5, 2026	ACME - Credit limit: NT\$100 million	No
Medium-term Unsecured Lending Limit Contract	Bank SinoPac	June 30, 2024 - June 30, 2027	ACME - Credit limit: NT\$200 million	No
Medium-term unsecured Lending Credit Limit Contract	Taiwan Cooperative Bank	August 15, 2024 - August 15, 2029	ACME - Credit limit: NT\$28 million	There are limitations on current ratio and net debt ratio.
Medium-term Unsecured Lending Limit Contract	Shanghai Commercial and Savings Bank	November 9, 2022 - November 9, 2025	ACME - Credit limit: NT\$200 million	No
Long-Term Loan and Comprehensive Credit Facility Agreement	DBS Bank (Taiwan)	September 19, 2024 - September 19, 2027	USI Green Energy Corporation - For improving financial structure and strengthening operating capital	No



## Chapter 5. Review and Analysis of Financial Position and Performance and Associated Risks - Consolidated Information

### I. Financial Position

Major reasons for material changes in assets, liabilities and shareholders' equity, as well as related effects in the most recent two fiscal years, and response measures in the future if such effects are significant.

Unit: NT\$ thousand

Item	Year	End of 2024	End of 2023	Difference	
				Amount	%
Current assets		\$28,859,123	\$29,557,500	(698,377)	(2)
Long-term investments		8,351,535	11,837,683	(3,486,148)	(29)
Property, plant and equipment		27,476,881	26,380,393	1,096,488	4
Intangible assets		316,475	320,614	(4,139)	(1)
Other assets		6,826,367	5,976,615	849,752	14
Total Assets		71,830,381	74,072,805	(2,242,424)	(3)
Current Liabilities		14,696,035	11,849,335	2,846,700	24
Non-current liabilities		14,364,030	14,679,570	(315,540)	(2)
Total Liabilities		29,060,065	26,528,905	2,531,160	10
Share capital		11,887,635	11,887,635	0	0
Retained earnings		9,034,583	11,526,902	(2,492,319)	(22)
Equity attributable to shareholders of the parent company		20,800,048	23,254,285	(2,454,237)	(11)
Non-controlling Interests		21,970,268	24,289,615	(2,319,347)	(10)
Total equity		42,770,316	47,543,900	(4,773,584)	(10)

#### (I) Major reasons for material changes

The decrease in long-term investments was due to the increase in the current share of loss of joint ventures accounted for using the equity method.

The increase in current liabilities was mainly due to the increase in long-term liabilities due within one year.

The decrease in retained earnings was due to a decline in sales prices, reduced product margins, and a decrease in sales volume during the year.

#### (II) Effects

None.

#### (III) Future response plan

N/A.

## II. Financial Performance

Major reasons for material changes in revenue, operating income and net profit before taxes in the most recent two fiscal years are estimated sales volume and its basis, as well as possible effects on the Company's financial operations and response measures in the future

Unit: NT\$ thousand

Item	Year	2024	2023	Increase (decrease)	
				Amount	(%)
Revenue		\$51,008,156	\$52,264,762	(1,256,606)	(2)
Operating costs		(48,710,747)	(46,658,491)	2,052,256	4
Gross operating profit		2,297,409	5,606,271	(3,308,862)	(59)
Operating expenses		(4,306,123)	(3,986,936)	319,187	8
Operating profit		(2,008,714)	1,619,335	(3,628,049)	(224)
Non-operating revenue and expenses		(3,509,340)	(3,556,152)	46,812	(1)
Net (loss) profit before tax		(5,518,054)	(1,936,817)	(3,581,237)	185
Income Tax (Expense) Benefit		608,175	30,175	578,000	1,915
Net income (loss) for the year		(4,909,879)	(1,906,642)	(3,003,237)	158
Other Comprehensive (Loss) Income After Tax		959,330	(154,241)	1,113,571	722
Total Comprehensive (Loss) Income for the Year		(3,950,549)	(2,060,883)	(1,889,666)	92

### (I) Major reasons for material changes

1. Gross profit and operating profit decreased, while pre-tax net loss, income tax benefit, net loss for the year, and total comprehensive loss for the year increased. This was mainly due to lower sales prices, reduced product margins, and a decrease in sales volume.
2. Other comprehensive income after tax increased, primarily due to an increase in foreign exchange gains from the translation of financial statements of overseas operations.

### (II) Estimated sales volume and its basis

The Company expects the sales volume target for PE/EVA in 2025 to be approximately 353,000 tons; for the Vinyl series and its downstream products, the sales volume target is about 430,000 tons; for ABS/PS, the sales volume target is approximately 422,000 tons; for fiberglass products, the target is about 12,000 tons; and for iron oxide magnetic powder and iron cores, the sales volume target is approximately 8,700 tons.

### (III) Possible effects on the Company's financial operations in the future

No material effect.

### (IV) Future response plan

N/A.



### III. Cash Flow

Analysis of changes in cash flow and improvement plans for liquidity shortage in the most recent fiscal year, and cash liquidity analysis in the coming fiscal year

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

Unit: NT\$ thousand

Period- beginning cash balance	Annual net cash flow from operating activities	Other cash outflows throughout the year	Cash Balance	Remedies for cash deficit	
				Investment projects	Financing plans
11,059,546	1,485,528	4,940,491	7,604,583	-	-

1. Operating activities

Net cash inflow of NT\$1,485,528 thousand decreased compared to the previous year, mainly due to a decrease in operating profit.

2. Investing activities

The net cash outflow from financing activities reached NT\$6,885,652 thousand, due mainly to the Group's acquisitions of property, plant, and equipment.

3. Financing activities

Net cash inflow of NT\$1,422,785 thousand was primarily due to an increase in borrowings from the consolidated companies.

(II) Improvement plans for liquidity shortage

There is no liquidity shortage situation.

(III) Cash flow analysis for the coming fiscal year

Beginning cash balance: NT\$7,604,583 thousand

Annual cash inflow: NT\$3,925,623 thousand

Annual cash outflow: (NT\$3,875,342) thousand

Ending cash balance (shortage): NT\$7,654,864 thousand

#### IV. Material Expenditure and its Impact on the Company's Financial Operations in the most Recent Fiscal Year

1 To ensure adequate supply of ethylene raw materials, the Company expects that ethylene storage tanks will be built within 10% of NT\$906 million.

2 In order to ensure adequate supply of ethylene raw materials, APC expected that ethylene storage tanks and ethylene underground pipelines will be built at NT\$1.02 billion.

These expenses will first be paid using the Company's own funds, while the Company will also assess the cost of raising capital in the capital market and the cost of borrowing from financial institutions.

#### V. Investment Policies, Profit/Loss Analysis and Improvement Plans in the Most Recent Fiscal Year, as well as Investment Plans for the Coming Fiscal Year

(I) Investments whose amounts exceed 5% of paid-in capital at the end of 2024:

Item	Remark	Amount (NT\$ thousands)	Policy	Main reasons for profit or loss	Improvement plan	Other investment plans in the future
CTCI Corporation		1,141,663	Investment Diversification	Steady growth in overall performance, and hence continuously profitable	No	—
Fujian Gulei Petrochemical Co., Ltd.		5,791,628	Petrochemical investments	Due to high raw material acquisition costs, difficulty in passing on price increases to downstream products, and insufficient margins, the Company incurred losses.	No	—

(II) Investments expected in the next year that exceed 5% of paid-in capital: None.



## VI. Risk Analysis and Evaluation

The Company has enhanced its risk management operations, and designated specific executive and responsible units to assess specific matters or risks. Moreover, the Company has also established a monitoring mechanism, where the organizational structure is as follows:

Important risk assessment matters	Execution and responsible units	Supervision unit
1. Impact of Interest Rates and Exchange Rate Fluctuations and Inflation on the Company's Profit and Loss, and Future Response Measures	Finance Division	Auditing Office
2. Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives trading, main reasons for profits or losses generated, and future response measures to be undertaken		
3. Future R&D projects and R&D expenditure to be invested	Research and Development Division	
4. Changes to local and overseas policies and laws that impact the Company's financial operations and response measures	All relevant units	
5. Impact of changes in science and technology (including information security risk) as well as industry on the Company's financial operations and countermeasures	Sales and Marketing Division/Information System Division	
6. Impact of changes in corporate image on corporate crisis management and countermeasures	Human Resource Division	
7. Expected benefits and possible risks to engage in mergers and acquisitions and countermeasures	Planning Department/Finance Division	
8. The Expected Benefits and Possible Risks to Expand the Plants and the Countermeasures	Various plants	
9. Risks faced with concentrated procurement and sales, and countermeasures	Procurement and Logistics Division Sales and Marketing Division	
10. Effects and risks resulted from major equity transfer or replacement of directors, supervisors, or shareholders holding more than 10% of the Company's shares, and related response measures	Finance Division	
11. Effects and risks related to any changes in management control in the Company, and related response measures	Board of Directors	
12. Directors, Supervisors, General Managers, person with actual responsibility in the Company, and substantial shareholders holding more than 10% of the Company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that was finalized or remained pending, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as at the date of printing of the report	Legal Division	
13. Climate change affects the Company's operations, finance, supply chain, policy and investment decisions, etc.	Corporate Governance Team	
14. Risks of environmental, social and corporate governance issues	Corporate Governance Team	
15. Other significant matters and action plans.	Trust Department	

(I) Impact of Interest Rates and Exchange Rate Fluctuations and Inflation on the Company's Profit and Loss, and Future Response Measures:

1. Implementation or Responsible Unit: Finance Division.

2. Impact on the Company's profit and loss:

Item	2024 (NT\$1,000; %)
Net interest income (expense)	23,068
Net currency exchange gain (loss)	261,470
Ratio of net interest income (expense) to net revenue	0.05%
Ratio of net interest income (expense) to net profit before taxes	( 0.42% )
Ratio of net currency exchange gain (loss) to net revenue	0.51%
Ratio of net currency exchange gain (loss) to net income before taxes	( 4.74% )

3. Interest rate: The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates on the balance sheet date were as follows:

	As of December 31, 2024 (NT\$1,000)
Fair value interest rate risk	
– Financial assets	10,112,418
– Financial liabilities	11,487,902
Cash flow interest rate risk	
– Financial assets	3,022,298
– Financial liabilities	9,393,543

An increase or decrease of 0.5% in market interest rates is used as a reasonable risk assessment for reporting changes in interest rates to the Company's senior management team. With all other variables remaining unchanged, an increase or decrease of 0.5% in market interest rates will lead to a increase or decrease of NT\$31,856 thousand in the Company's net profit before taxes in 2023.

4. The sensitivity analysis for foreign currency exchange risk is mainly calculated based on foreign currency monetary projects as at the end of the reporting period (mainly the US dollar and Renminbi items). When the Company's functional currency appreciates/depreciates against U.S. dollar and RMB by 3%, the Company's next profit before taxes in 2024 will decrease/increase by NT\$80,896 thousand.

5. Inflation: The prime cost of the Company is the cost of raw materials; the price of the product fluctuates in the same direction as the cost of raw materials. Continue to assess the impact of changes in raw material and electricity prices on the Company, dispose of old energy-consuming equipment, and implement energy conservation and carbon reduction policies.

(II) Policies to engage in high-risk and high-leverage investments, provision of loans to others, making guarantees and endorsements, as well as derivative trading, major reasons for profits and losses, as well as future response measures:

1. Implementation or Responsible Unit: Finance Division.

2. Engaging in high-risk and high-leverage investments, and provision of loans to others

The Company's "Regulations Governing the Acquisition and Disposal of Assets" stipulate that it shall not engage in high-risk and high-leverage investments. The Company has also established the "Procedures for Loaning of Funds to Others" and ensures thorough pre-assessment and follow-up monitoring before and after lending funds to others.

3. Endorsement and guarantee: Ensure to implement the prior evaluation and subsequent follow-up according to the Company's endorsements and guarantees procedures.

## Review and Analysis of Financial Position and Performance and Associated Risks - Consolidated Information



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

(III) Future R&D projects and estimated R&D expenditure:

1. Executive and responsible unit: Research and Development Division

2. The plans are as follows:

Unit: NT\$ thousand

Research and Development Plan	Current progress	R&D expenditure that requires investment	Estimated time for the completion of mass production	Main factors affecting the success of R&D in the future
High VA and low MI for W&C application	70%	5,000	2026	Equipment, formula and process technology
Functional shoe midsole material development	70%	5,000	2025	Equipment, formula and process technology
Development of High-Temperature Resistant CBC	70%	5,000	2025	Equipment, formula and process technology
Development of Fire-Resistant Formulas	80%	8,000	2025	Equipment, formula and process technology
Development of Fire-Resistant Masterbatch Formulas	70%	8,000	2025	Equipment, formula and process technology
Development of Thermal Insulation Coating	60%	10,000	2026	Equipment, formula and process technology
Development of ACUI High-Temperature Corrosion-Resistant Coatings	30%	6,000	2026	Equipment, formula and process technology
Development of High-VA, Low-MI EVA Products	30%	2,000	2025 Quarter 4	Cultivation of R&D talents, inheritance of technology, sufficient market intelligence and addition of necessary equipment
Residual hydrogen energy	60%	1,000	Before the end of 2026	Equipment and Process Conditions
Development of Casting Furniture Replicas Through the Use of Soft Leather	50%	1,000	Before the end of 2025	Raw Material Formulas and Process Conditions
transparent leather/	50%	600	Before mid-2025	Raw Material Formulas and Process Conditions
Solvent-free surface treatment leather for PVC/TPE	50%	500	Before mid-2025	Equipment, Raw Material Formulas and Process Conditions
TPO antistatic transparent membrane	50%	500	Before mid-2025	Equipment, Raw Material Formulas and Process Conditions
Development of Solvent-Free TPE Paste Clothe	75%	500	Before mid-2025	Equipment, Raw Material Formulas and Process Conditions
TPE Single-Material Rubber	0%	500	Before mid-2025	Raw Material Formulas and Process Conditions
TPO Aprons	0%	500	Before mid-2025	Raw Material Formulas and Process Conditions
TPO Release Film	0%	500	Before mid-2025	Raw Material Formulas and Process Conditions
PVC Cooling Release Film	0%	500	Before mid-2025	Equipment, Raw Material Formulas and Process Conditions
PE/CBC Easy-Tear Adhesive Tape Fabric	0%	500	Before mid-2025	Raw Material Formulas and Process Conditions
Antibacterial and Anti-Mold Piping Materials	0%	500	Before the end of 2025	Raw Material Formulas and Process Conditions
TPU Running Belts/Conveyor Belts	0%	500	Before the end of 2025	Raw Material Formulas and Process Conditions
TPO Vacuum Seat Cushion Material	0%	500	Before the end of 2025	Raw Material Formulas and Process Conditions
The development of motorcycle seats with cooling skin	50%	500	Before the end of 2025	Raw Material Formulas and Process Conditions
PVC third generation anti-fouling rubber development	50%	500	Before the end of 2025	Raw Material Formulas and Process Conditions
High-Temperature Resistant Orange Wire Harness Tape	0%	500	Before the end of 2025	Raw Material Formulas and Process Conditions
European Flame-Resistant Decorative Fabrics	0%	500	Before the end of 2025	Raw Material Formulas and Process Conditions
PVC Spray Coating Film	0%	300	Before mid-2025	Equipment, Raw Material Formulas and Process Conditions
PVC Low Smoke Flame-Retardant Film	0%	300	Before mid-2025	Raw Material Formulas and Process Conditions

Research and Development Plan	Current progress	R&D expenditure that requires investment	Estimated time for the completion of mass production	Main factors affecting the success of R&D in the future
PVC Conductive Film	0%	300	Before the end of 2025	Equipment, Raw Material Formulas and Process Conditions
Development of Smooth Leather for Marine Vehicles	25%	200	Before the end of 2025	Raw Material Formulas and Process Conditions
AI integration in #6 dryer process	0%	100	Before the end of 2025	Equipment and Process Conditions
Utilizing 30L PVC rejoining experimental tank to carry out the analysis of each by-product counterpart.	50%	30	Before the end of 2025	Formulas and Process Conditions
30L test tank test tank new formula	50%	30	Before the end of 2025	Formulas and Process Conditions
Butadiene emulsion polymerization-reactor mixing blades on the control of PBDL particle size and concentration control study	60%	9,000	2026	Process Hardware Equipment, Workforce Configuration
TALCOR Product Applications and Development	50%	1,000	2025	Layout Based on Workforce Configuration and Market Demand
High-Value Water-Based Material Application Certification	50%	700	2025	Layout Based on Formula Design and Market Demand
Development of Alternative Raw Material Formulas for EPS Polymers Under REACH Regulations	60%	1,000	2025	Formula Design
Alloy Product Technology Development	Sample making and testing	10,000	December 2025	Server Power Supply Market Applications
CIM new forming technology development	Product testing and validation phase	10,000	December 2025	Automotive Parts Recognition Progress
SiC Ceramic Powder and Parts	Sample delivery and testing	300,000	December 2025	Semiconductor equipment demand and verification

(IV) Changes to local and overseas policies and laws that impact the Company's financial operations and response measures:

1. Implementation or Responsible Unit: All relevant units.

2. Impact on financial operations:

- (1) Please refer to Chapter V in this annual report: the third section of "Information Regarding Environmental Protection Expenditure" indicated in "Operations Overview" In response to the European Union's Restriction of Hazardous Substances Directive (RoHS).
- (2) Continuously assess the impact of IFRSs issued by IASB but not yet approved and issued in effect by FSC. This includes, but is not limited to, the Annual Improvements to IFRS Standards - 2023 (Cycle 11), the amendments to IFRS 9 and IFRS 7 regarding Classification and Measurement of Financial Instruments and revised guidance on derecognition of financial liabilities, Contracts for Renewable Electricity Dependent on Nature, amendments to IFRS 10 and IAS 28 concerning Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, IFRS 17 Insurance Contracts and its subsequent amendments, IFRS 18 Presentation and Disclosure in Financial Statements, and IFRS 19 Subsidiaries without Public Accountability: Disclosures.
- (3) Continuously assess the impact of the Regulations overning Assessment of Profit-Seeking Enterprise Income Tax on Non-Arm's-Length Transfer Pricing and Economic Substance Act in Tax Havens.
- (4) Pursuant to Article 23-3 of the Statute for Industrial Innovation, the Company shall apply for a reduction in the taxes applicable to undistributed earnings by using undistributed earnings in substantial investments.
- (5) Pursuant to Article 10-1 of the Statute for Industrial Innovation, investment in brand-new smart machines and investment in related brand-new hardware, software, technology or technical services for introducing 5th-generation mobile networks and information security products or services are applicable to the tax exemption.
- (6) Continue to assess the impact of water restrictions, changes in electricity prices, power outages, and tariff and trade barrier policies of various countries on the Company.

## Review and Analysis of Financial Position and Performance and Associated Risks - Consolidated Information



- (7) Continue to assess the impact of the European Union's Carbon Border Adjustment Mechanism (CBAM), as well as Taiwan's carbon pricing, levies on carbon taxes and fees, and drafting of the Climate Change Adaptation Act.
- (8) Continue to assess the impact of the CFC system, changes in the Hong Kong tax system, and implementation status of the Global Minimum Tax.
3. Response measures: The Company has established the Legal Division to assess legal risks and formulate countermeasures, review important contracts and relevant legal documents and warn of risks in advance, and provide legal advance to handle legal affairs where necessary in order to reduce default risk and losses. In addition, the Accounting Division assesses the changes in accounting and tax-related laws and regulations, and evaluates such the effects of such changes on the Company's financial operations and formulates related response measures. Besides, discussions are held with CPAs to make prior planning for related changes.
- (V) Impact of changes in science and technology (including information security risk) as well as industry on the Company's financial operations and countermeasures:
1. Executive and responsible unit: Sales and Marketing Division and Information System Division
  2. Please refer to V. Business Description (1), Industry Overview (2), and VI. Information Security Management (2) Information Security Risks and Countermeasures.
- (VI) Impact of changes in corporate image on corporate crisis management and countermeasures:
1. Executive and responsible unit: Human Resource Division
  2. The Company has always adhered to upright and down-to-earth management, sound financial operations and good product quality, and has garnered positive reviews from the industry. In the event of a crisis, the Company not only will submit report according to its organization system, but can also obtain help from external organizations to help overcome the crisis.
- (VII) Expected benefits and possible risks to engage in mergers and acquisitions and countermeasures:
1. Executive and responsible unit: Finance Division.
  2. There was no merger and acquisition implemented by the Company in the most recent fiscal year up to the publication date of this annual report.
- (VIII) The Expected Benefits and Possible Risks to Expand the Plants and the Countermeasures:
- Invest in the construction of storage tanks for ethylene, vinyl chloride, dichloroethane and underground pipelines for ethylene.
- Expected benefits: Ensure stable supply of main raw materials, namely ethylene and dichloroethane, as well as the production and sales scheduling of vinyl chloride.
- Possible risks: Increase in supply, thereby leading to the product's price to drop.
- Response measures: Develop high-quality and niche products to avoid price competition.
- (IX) Risks faced with concentrated procurement and sales, and countermeasures:
1. Executive and responsible unit: Material Planning Division

2. The Company has decentralized global sources of goods and purchased goods in multiple pricing modes to avoid specific centralized sources.
  3. Part of the purchase volume of spot goods will be set aside, and purchases will be made according to the spot market and production needs, whichever is better.
  4. The Company focuses on studying information of the petrochemicals and plastics market and strengthening production, sales, and procurement business strategies to maximize profits, to minimize risks associated with over-concentration in purchase or sale.
- (X) Effects and risks resulted from major equity transfer or replacement of directors, supervisors, or shareholders holding more than 10% of the Company's shares, and related response measures:
1. Implementation or Responsible Unit: Finance Division.
  2. There was no such situation at the Company in the most recent fiscal year up to the publication date of this annual report.
- (XI) Effects and risks related to any changes in management control in the Company, and related response measures:
1. Executive and responsible unit: Board of Directors
  2. There have been no changes in management control at the Company in the most recent fiscal year up to the publication date of this annual report.
- (XII) Litigation or non-litigation events should be listed as significant litigation, non-litigation or administrative events that have been determined or are still pending by the Company, its directors, supervisors, general manager, principals, major shareholders holding more than 10% of the shares, and subsidiaries, and the results of which may have a significant impact on shareholders' interests or securities prices, and should disclose the facts of the dispute, the subject matter of the litigation, the date of commencement of the litigation, the major parties involved, and the handling of the case up to the date of the publication of the annual report:
1. Executive and responsible unit: Legal division.
  2. Significant litigious, non-litigious or administrative disputes that have been decided or are still pending in the most recent fiscal year up to the publication date of this annual report:
    - (1) The Company: None.
    - (2) Directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10% of the Company's shares: None.
    - (3) Subsidiary:
 

In January 2021, personnel from the EPA of the Executive Yuan conducted an inspection at the Toufen Plant of China General Plastics Corporation (hereinafter referred to as CGPC), a subsidiary of the Company. During the inspection, certain operational units in the rubber production division were found to be engaged in surface coating and printing processes. These activities were deemed to fall under the category of printing operations, and as such, the emission of volatile organic compounds (VOCs) and the corresponding air pollution control fees (APCF) were required to be calculated using a mass balance approach. Based on this determination, the Miaoli County Environmental Protection Bureau ordered CGPC to pay an additional APCF of NT\$60,510,546. CGPC subsequently filed an administrative appeal in accordance with the law, and the EPA's Petitions and Appeals Committee revoked the administrative disposition.

On September 14, 2023, the Miaoli County Environmental Protection Bureau once again notified CGPC, following a recalculation of the APCF, that an additional payment of NT\$41,038,306 was required. CGPC objected to this administrative disposition and filed

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another appeal, which was again revoked by the EPA's Petitions and Appeals Committee.

Subsequently, on August 12, 2024, the Bureau issued another notification to CGPC, stating that after further recalculation, an additional APCF of NT\$38,932,598 was to be paid. CGPC, still disputing the administrative disposition, lodged a further appeal. However, this time the EPA's Petitions and Appeals Committee rejected the appeal. CGPC is currently consulting with legal counsel to determine whether to initiate administrative litigation.

Regarding the Company's associate, China General Terminal & Distribution Corporation ("CGTD"), who was commissioned to operate the propylene pipeline of LCY Chemical Corp. ("LCY") resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

CGTD reached an agreement with the Kaohsiung City Government on February 12, 2015 to provide pledged bank deposit worth NT\$234,785 thousand (including interests) to the Kaohsiung City Government as guarantee for the losses suffered during the gas explosion disaster. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. In addition, Taiwan Power Company applied to the court to execute provisional attachments on the properties of CGTD on August 27 and November 26, 2015, respectively. CGTD has provided a cash deposit of NT\$99,207 thousand to the court to avoid the provisional attachments. Taiwan Water Corporation applied to the court to execute provisional attachments on the properties of CGTD on February 3 and March 2, 2017, respectively. As of March 31, 2025, the property value impounded against CGTD amounted to NT\$6,401 thousand.

For the victims of the gas explosion, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on July 17, 2015 agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"), paying the families of the victims NT\$12,000 thousand for each victim, with a total settlement of NT\$384,000 thousand. LCY paid the compensation first and also represented the three parties in the settlement negotiation and the signing of settlement agreements with the family of the deceased. In addition, according to the tripartite agreement, CGTD has paid NT\$157,347 thousand to LCY on August 10, 2022 according to the proportion of fault liability, 30%, in the first-instance judgments of this case. Follow-up still awaits the determination of the civil lawsuit, and then make up for it according to the determined liability proportion.

For victims suffering from serious injuries, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement on October 25, 2017 agreeing to negotiate the compensation first with the 65 seriously injured victims. The settlement was paid in advance by CGTD and the Kaohsiung City Government. On behalf of the three parties, CGTD negotiated with the severely injured in the gas explosion and signed a settlement agreement with 64 of them.

As of March 31, 2025, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against CGTD, LCY Chemical Corp. and CPC Corporation for compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of NT\$46,677 thousand and settled for a compensation amount of NT\$4,519 thousand instead. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is NT\$3,831,211 thousand. The first-instance judgments of some of the above mentioned civil cases (with a total amount of compensation of approximately NT\$1,467,830 thousand) have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants are liable for was approximately NT\$401,979 thousand, of which the court ruled an exemption for CGTD in the amount of NT\$6,194 thousand.

In civil cases where a first-instance judgment has been rendered without reaching a settlement, CGTD has filed appeals for second-instance trials. Judgments have been

successively rendered starting from July 10, 2024. As of March 31, 2025, a total of nine second-instance judgments have been rendered for the compensation claims filed by the Kaohsiung City Government (with a claimed amount of approximately NT\$1,137,677 thousand). Among them, eight cases held that CGTD and LCY are jointly and severally liable for 10% (in five cases) or 20% (in three cases) of the negligence. The total compensation for which CGTD is held jointly liable with LCY amounts to NT\$79,726 thousand. In one additional case, CGTD was deemed solely liable for 10% of the negligence, with a compensation amount of NT\$297 thousand. Furthermore, in second-instance cases filed by Taiwan Power Company (claim amount: NT\$265,822 thousand) and the National Health Insurance Administration (claim amount: NT\$35,688 thousand), the court ruled that CGTD and LCY are jointly liable for compensation totalling NT\$108,835 thousand. For all second-instance cases where a third appeal is permitted, CGTD has filed appeals to the Supreme Court. Other cases, with a total claimed amount of approximately NT\$1,860,557 thousand, remain pending before the first-instance courts.

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

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

Climate change poses a global challenge. In alignment with international efforts and the pursuit of sustainable development, Taiwan promulgated the amended Climate Change Response Act - formerly the Greenhouse Gas Reduction and Management Act - on February 15, 2023. In response to the impacts of climate change, carbon reduction has become a universal goal. In 2022, the Company established a carbon reduction target for its Taiwan production facilities to reduce carbon emissions by 27% by 2030 compared to 2017 levels. In 2023, the Company further set the long-term corporate goal of achieving carbon neutrality by 2050.

The Group's 9 domestic core production plants continue to implement ISO 14064-1 greenhouse gas inventory and verification, and have planned to implement carbon reduction plans. The Group has also actively developed external renewable power plants. As of the 2023, the cumulative generation capacity of solar power plants reached 8.6 MW. The Company has formulated its carbon reduction roadmap in alignment with the Group's 2030 decarbonisation target. As of 2024, greenhouse gas emissions have decreased by 20.3% compared to the base year (2017). Moving forward, the Company will intensify its efforts in implementing energy-saving and carbon-reduction initiatives, improving energy efficiency, adopting renewable energy, and utilising low-carbon fuels to achieve its carbon reduction goals and promote sustainable development.

The Sustainability Council is the Company's highest-governing body for climate change management. It is chaired by an Independent Director and assesses matters of climate change strategies and targets, climate change risk management, opportunity initiatives, and current implementation statuses, and reports to the Board of Directors every year. The Company has adopted the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities. These are assessed across various departments, with evaluations of potential financial impacts and the formulation of corresponding response plans. A comprehensive reassessment is scheduled every three years, with annual reviews and updates. Became one of the 1,846 companies worldwide that support TCFD in November 2020. Since 2018, the Company has participated in the Earth Hour initiative by turning off non-essential lights for one hour annually. In April 2022, it joined the Carbon Neutrality Alliance, and in August of the same year, it signed the Net Zero Emissions Declaration initiated by the Taiwan Chemical Industry Association (TCIA). In 2024, the Company received a "B Management Level" rating in both the Climate Change and Water Security assessments conducted by CDP.

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## 1. The Company's TCFD framework

Governance	Sustainability Council	The Sustainability Council is the Company's highest-governing body for climate change management. It is chaired by an Independent Director and reports the implementation, plans, and actual performance in climate change in meetings every six months.
	Business Management Meeting	With the Chairman of the Board of Directors serving as the chair, regular meetings are held to discuss strategies and present results in the major policies for energy conservation and carbon reduction.
	Quarterly Meeting of the Group's Environmental Protection Department	The meeting is USI Group's highest energy management unit and it is responsible for reporting the implementation planning, progress, and decision-making to the Chairman of the Group each quarter.
	Group Green Energy Team	As the primary unit responsible for the promotion of green energy, the Group Green Energy Team reports monthly to the Chairman on the progress of green power development and future plans.
Strategy	Identify risks and opportunities	According to risk and opportunity items, each company identifies major items based on the probability and impact.
	Evaluate potential financial shocks	Potential financial impact evaluation is conducted for major risks and opportunities identified.
	Scenario analysis	Formulate net-zero solutions based on different scenarios.
Risk Management	Implementation of TCFD	Use the TCFD framework to identify risks and opportunities, communicate with main responsible units, and confirm with senior executives.
	Identification result report	While including the Company's annual risk management evaluation items, the General Manager reports to the Audit Committee and the Board of Directors every year on the status of control measures and management operations.
Indicator and target	The Group's carbon reduction target	Using 2017 as the base year, a carbon emissions reduction of 27% by 2030.
	Climate response strategies	Equipment replacement, installation of renewable energy equipment, optimization of production schedules, air conditioning planning of buildings, energy management systems, and extreme climate emergency response plan are included.
	Disclosure of greenhouse gas emissions	The Scope 1, Scope 2 and Scope 3 emission data are disclosed in the Sustainability report every year, Category 4 inventory continues to be enforced, and review of the reasons for the increase or decrease is conducted regularly.

## 2. Identify climate risks and opportunities

The impact of climate change on operations has become increasingly severe. The Company shall carefully assess any possible risks and grasp potential new business opportunities. Referring to the Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform (TCCIP) and the National Center for Disaster Prevention and Relief Technology (NCDPRT), 3 physical risk issues are listed for the scenarios of RCP 8.5, estimating the temperature increase, rainfall, flooding, and drought in 2016-2035; and 9 transformation risks and 12 opportunity issues are listed based on the group's strategy, industry characteristics, and the nation's self-defined expected contribution target (INDC) and TCFD indicators, making a total of 24 potential risk and opportunity issues.

In 2023, a questionnaire survey was conducted among the ESG Committee and senior unit executives to assess the relevance of each risk to the Company's operations and the timing of its possible impact, as well as the development and implementability of each opportunity. 14 questionnaires were returned, which were statistically analyzed by the team to identify 12 significant climate issues (1 physical risk item, 5 transformation risk items, and 6 opportunity items).

The Company assessed the potential financial impacts of the 12 significant risks and opportunities and formulated a response strategy and management mechanism to understand the possible impacts of climate change in various aspects, reduce the possible operational impacts of extreme weather and establish a resilient climate change culture.

For details on the potential financial impacts and corresponding response measures regarding climate-related risks and opportunities, please refer to Table 2-2-3.

### 3. The Group's companies continue to invest in innovative materials and products to reduce the impact of climate change

#### (1) ISO 14021 certified international recycled products:

In response to global trends in plastic reduction and net-zero emissions, as well as the Ministry of Environment's policy on waste reduction at the source, the Company is committed to offering brand owners and processing clients more refined, stable, and traceable recycled materials. Beginning in 2024, TPC has established a comprehensive recycling and regeneration system. This includes automated processes for raw material production, quality inspection, screening, grading, cleaning, sorting, classification, and full formulation compounding. Relevant procedures and documentation have also been thoroughly developed. This new circular economy initiative encompasses two ESG low-carbon footprint product lines—Ethylene-Vinyl Acetate (EVA) and High-Density Polyethylene (HDPE)—which are expected to obtain ISO 14021 international recycling certification by 2025. These products will offer a sustainable choice to renowned global brands and mid-to-downstream packaging and adhesive manufacturers, fostering joint efforts toward environmental sustainability.

#### (2) ACIN240 Energy-Saving Thermal Insulation Coating:

This thermal insulation coating incorporates specialised microspheres - hollow elastic particles with high durability and excellent thermal resistance. With a thermal conductivity of approximately 0.05 W/m•K, the coating is suitable for both thermal insulation and cooling applications, and can withstand temperatures up to 200°C. The use of tough, stretchable acrylic resin as a carrier enhances the coating's flexibility and strength, overcoming the brittleness and fragility typical of conventional insulation coatings.

#### (3) Halogen-Free Flame Retardants:

In response to advancements in technology and rising environmental awareness, USI Corporation is actively developing more environmentally friendly and health-conscious materials for modern home construction and protective applications. In terms of home fire safety, USI has developed a water-based, eco-friendly flame retardant that has been tested by SGS and found to contain no detectable formaldehyde or halogenated carcinogens (content <0.01%), complying with the Oeko-Tex Standard 100. This product is suitable for flame-retardant treatment of home textiles such as curtains, sofas, tablecloths, and mats. Fabrics treated with this flame retardant meet several international fire safety standards, including BS 5852, JIS L 1091, and NFPA 701, thereby enhancing household fire safety while ensuring a healthier living environment.

#### (XIV) Risks of environmental, social and corporate governance issues:

To ensure robust operation and sustainable development and lower potential operating risks, the Company actively launches the risk management mechanism with a sound and ethical business philosophy. In 2020, the Board passed the "Regulations Governing Risk Management Policy and Procedures", which stipulates that the General Manager's Office should supervise the operation of the various risk management units, regularly assess risks annually, define the various risks pertaining to the Company's overall operating directives, and early identify, accurately measure, effectively supervise, and strictly control the risk management, and thereby prevent any possible losses within tolerable risks. To ensure robust operation and sustainable development and lower potential operating risks, the Company actively launches the risk management mechanism with a sound and ethical business philosophy. The Company always keeps an eye on the evolution of risk management systems at home and abroad to review and improve this Policy, and keeps adjusting and best improving the risk management methods based on changes in internal and external environment, so as to raise the implementation effectiveness of the Company's risk management, thereby protect the interest of the Company, employees, shareholders, and stakeholders.

The Company reports the implementation status of risk management to the Audit Committee and the Board of Directors at least once a year, and discloses such information on the annual report and the Company's website. On November 7, 2024, the Company reported to the Audit Committee and the Board of Directors on its risk management operations for the current year and the report on the 2025 Risk Management Priority Implementation Plan. The management policies or strategies to

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various risks at this stage are as follows:

Risk Categories	Risk Profile	Risk Management Policy or Strategy
Financial risks	Risk of interest rate changes	<p>Macroeconomic and Financial Strategies Amid Easing Global Inflation and Expected Rate Cuts by Major Economies:</p> <p>1. Short-Term Funding Needs: Closely monitor changes in the Central Bank of the Republic of China (Taiwan)'s interbank overnight rate and interest rates of negotiable certificates of deposit across various maturities. Adjust borrowing tenors accordingly to optimise financing costs while ensuring sufficient short-term liquidity to meet operational demands.</p> <p>2. Medium- to Long-Term Funding Needs: Secure medium- to long-term credit facilities from financial institutions or issue corporate bonds. Plans are also in place to increase the proportion of floating-rate borrowings to mitigate the risks associated with declining interest rates.</p> <p>Maintain prudent control over borrowing limits based on actual needs, and adjust the ratio of short- to medium-/long-term debt accordingly. Keep the utilisation rate of approved credit facilities below 50% to strengthen the overall financial structure and reduce exposure to interest rate volatility.</p>
	Risk of exchange rate changes	With the U.S. Federal Reserve entering a rate-cutting cycle and ongoing geopolitical risks contributing to heightened volatility in global currency markets, the Company's general policy is to fully hedge its net foreign exchange exposure. However, when market movements clearly favour the Company, hedge ratios may be flexibly adjusted within a manageable risk scope.
	Risk of property loss	The Company has purchased various property insurances based on the size of the Company's business assets and replacement costs to transfer risks to insurance company appropriately.
	Risk of endorsement and guarantee	The Company provides endorsements and guarantees only for wholly owned subsidiaries, helping to reduce their funding costs and enhance financial flexibility. They are consistent with the Company's current operational strategies and whether the risks the Company bears are under the tolerable level by the Company.
	Risk of accounts receivable	For domestic customers, the Company is strengthening the provision of tangible collateral and requiring joint guarantors with strong financial standing. For export clients, efforts are being made to raise the coverage of accounts receivable insurance or to insure letters of credit. Alternatively, sales may be conducted on a "documents against payment" basis, releasing shipping documents only after payment is received. For customers with overdue payments, deliveries are suspended while causes of delay are investigated. Where necessary, the Company will initiate protective legal measures, such as applying for provisional attachment of the customer's assets. Customer operations and financial statements are regularly reviewed in meetings. For accounts exhibiting signs of risk, recommendations include suspending deliveries or reducing credit exposure.
Risk of strategy and operation	<ul style="list-style-type: none"> <li>• Risk of strategy and operation</li> <li>• Industry risk</li> <li>• Investment Risks</li> </ul>	<p>1. The Company's Sustainability Council identifies material issues and formulates short-, medium-, and long-term targets for each, with regular performance evaluations.</p> <p>2. In March and August, the operating units of the Company held the respective meetings of the Board of Directors and the Sustainability Council and completed their CSR report, which covers the strategic planning, annual plan, special plan and other issues.</p>
Risk of material prices and supply chains	Change in material prices	In 2024, the market continued to be affected by rising production capacity in China and sluggish demand, with raw material prices fluctuating within a low range. Procurement prices were based on fixed rates or various formula-based pricing models and executed in batches, effectively mitigating inventory risks. This also allowed a reduction in the number of contracts with CPC Corporation, thereby lessening the impact of price fluctuations.
	Material inventory and logistics management	To accommodate unforeseen changes in production and sales, inventory levels were maintained at a flexible norm. In anticipation of potential disruptions to shipping caused by summer typhoons, a long-term and flexible tank storage agreement was signed with CPC's Cianjhen Plant to reduce volatility in raw material stockpiles. In response to the transportation risks associated with Category 5.2 catalyst shipments, advance ordering was implemented to ensure stable delivery.
	Production equipment spare parts planning	To address the risk of supply shortages of critical materials due to war-related disruptions, the Procurement Department II continued to remind requesting units to increase spare parts inventory and submit requisitions in advance. Follow-ups on purchase orders and supplier delivery schedules were conducted regularly. For suppliers facing material supply risks, discussions and strategy development with plant sites are ongoing, including efforts to identify and qualify alternative suppliers to minimize the risk of supply disruptions. Compared to the previous year, the rate of supplier delivery delays improved in 2024 and had no impact on in-plant production or operations.
Occupational safety risk	Occupational accidents of employees and contractors in the operation process	<p>1. Kaohsiung Plant promotes ISO-45001 Occupational Safety and Health Management System, arranges regular internal audits and completes the external audit in April, and improves and follows up on the audit observations with good results. Continue to implement the process safety management system (PSM), and conduct PSM education and training to strengthen occupational safety and health management.</p> <p>2. (1) Contractors participate in environmental safety and health education and training before entering the plant. Through continuous training, advocacy, and setting of</p>

Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<p>requirements, contractors are urged to comply with various safety and health regulations and achieve the goal of zero accidents.</p> <p>(2) Security guards supervise the entry of contractors into the plant and manage vehicle control, conduct alcohol testing operations in a timely manner, and ensure the safety status of people and vehicles entering the plant</p> <p>(3) Ensure the contracting work environment and hazard notifications, and arrange work safety meetings as well as protocol meetings. Strengthen the toolbox meeting for the management of each work permit; announce and explain the contents of operations, potential hazards of the working environment, and safety protection and regulations; and complete the safety inspection of on-site construction equipment and tools.</p> <p>(4) The Labor Safety Section conducts inspections for various operations on site every day to reduce the occurrence of unsafe conditions and behaviors on site.</p> <p>3.</p> <p>(1) Every year, the Kaohsiung Plant legally holds relevant workplace safety and health licenses, organizes incumbent training, identifies laws and regulations related to the plant contained in the new announcement, and reports them to the quarterly meeting of the Environmental, Safety and Health Management Committee.</p> <p>(2) The 2024 safety and environmental promotion and training program was carried out, encompassing PSI data application training, PSM audit training, reactive hazard education, and permit and contractor management training, all aimed at enhancing staff expertise in safety and environmental protection.</p> <p>4. The Company adheres to safety and health management rules, process hazard analysis guidelines, safety, health, fire and environmental management education and training guidelines, occupational safety and health hazard identification and opportunity assessment and control management guidelines, various operating standards, and emergency response plan guidelines, etc.</p> <p>5. The Engineering Department and the production units have thoroughly performed preventive equipment repair and PDA inspection.</p> <p>6. In 2024, the Kaohsiung Plant conducted two emergency response and fire drills, one planned emergency response to toxic chemical substances, two emergency response drills on toxic chemical substances without warning, and also conducted three emergency response equipment trainings to strengthen personnel emergency response.</p> <p>7. On November 14, 2024, the Group will organize the 2025 Group Plant Technology Case Study Presentation to encourage plants to continue to implement and improve industrial safety and environmental protection, equipment pre-warranty, energy saving and carbon reduction through the presentation of case studies and selection of awards.</p> <p>8. Each month, the Group compiles statistics on the number of serious occupational injuries (disabilities) and the cumulative number of safe workdays for each plant. Plants reaching 1,000 cumulative safe days are awarded a merit trophy and publicly recognized. As of the end of September 2024, USI Kaohsiung Plant recorded 587 safe days.</p> <p>9. Monthly statistics are also compiled regarding government occupational safety inspections, inspection details, and safety violation fines across all Group plants. These are shared as learning references. USI Kaohsiung Plant had zero fines as of the end of September 2024.</p> <p>10. To strengthen safety management of public hazardous materials across the Group's plants, we conducted a field inspection before the Lunar New Year of 2024 at key southern facilities, focusing on the management status of public hazardous materials, including organic peroxides. On February 1, we visited USI's Kaohsiung plant and provided recommendations for improvements.</p> <p>11. On May 6, 2024, we officially issued the USI Group Guidelines for Safe Stacking in Finished Goods Warehouses, which were distributed to all plants to reinforce the safe storage and stacking practices in their respective warehouses.</p> <p>12. We organize annual professional safety and environmental training sessions for both southern and northern regions. The southern session was held on April 24, 2024, at USI's Linyuan plant, while the northern session is scheduled for August 30 at CGPC's Toufen Plant. The courses include hands-on training in incident command for fire response, entanglement injury prevention, and fall protection in elevated work, aimed at enhancing the professional competencies of safety and environmental personnel.</p> <p>13. At the beginning of each month, we disseminate the CCPS Process Safety Beacon e-newsletter to all Group plants. Mid-month, we share a dedicated process safety column from the petrochemical industry magazine, encouraging learning from historical incidents to enhance process safety awareness.</p> <p>14. For major occupational injury (disability) cases occurring domestically and internationally, we compile a one-page bulletin highlighting key lessons and precautions, which is shared across the Group to help prevent similar accidents.</p> <p>15. Quarterly, we convene a resource integration meeting for the southern plant region. During these meetings, the Environmental Protection Office presents progress reports to facilitate communication on ongoing safety and environmental initiatives. Meetings for the first three quarters of 2024 were held on March 29, June 28, and September 27 at USI's Linyuan Plant, with the fourth quarter session scheduled for December.</p> <p>16. We actively promote the concept of "Safety for All Employees", urging every staff member and contractor to take two minutes before starting any task to mentally go</p>

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Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<p>through the T-A-K-E checklist (Talk–Action–Knowledge–Equipment) to ensure operational safety.</p> <p>17. Aligned with the Group's safety philosophy—"Employees' safety after work matters just as much"—we created and distributed a set of Home Safety Protection Guidelines.</p>
<p>Information Security Risk</p>	<p>Security protection of information maintenance and operating systems, production industrial control systems, sensitive data, and customer transactions</p>	<ol style="list-style-type: none"> <li>1. A professional cybersecurity consulting firm is commissioned to conduct social engineering drills every six months. Employees who fail the test receive targeted cybersecurity education and follow-up assessments. Additionally, cybersecurity and IT operations personnel undergo biannual cybersecurity training and evaluations to bolster awareness across the organization.</li> <li>2. Personnel are routinely dispatched to plants to inspect OT (Operational Technology) computers, carry out asset inventories, enhance cybersecurity controls, and implement USB port lockout measures to reduce risks from external devices.</li> <li>3. Each year, ISO-certified information security consultants are commissioned to assist the Dedicated Information Security Unit and the IT Operations Team in conducting security audits, reinforcing internal cybersecurity controls, and reviewing all operational security processes. Two vulnerability scans on servers are carried out annually, followed by the implementation of corresponding remediation measures.</li> <li>4. Our Dedicated Information Security Department also commission ISO professionals to carry out annual security health checks across our IT infrastructure, including servers, client terminals, and core network switches, collecting and analyzing network packet traffic for anomalies.</li> <li>5. To ensure compliance and reinforce best practices, the cDedicated Information Security Department annually invite a globally recognized certification body to conduct ISO 27001 audits, through which we consistently maintain certification. The internal audit department also performs two independent cybersecurity audits each year.</li> <li>6. We continuously update our external firewalls' firmware and security protection suites to ensure the most up-to-date defense against cyber threats. Annual disaster recovery and backup drills are conducted to enhance firewall resilience and ensure operational continuity.</li> <li>7. Using next-generation firewalls, we enforce access control list (ACL) rules to block suspicious connections from specific IP addresses or ports and utilize DDoS protection features to monitor and filter abnormal traffic, thereby minimizing the impact of external attacks on company services.</li> <li>8. The Group periodically implements the disaster recovery drill for important systems, and reinforces system recovery speed and capacity. We observe the 3-2-1 backup principle for key system data in the hope of quickly recovering the normal working status and ensuring the sustainable operation capacity in case of a disaster.</li> <li>9. A comprehensive inventory and antivirus screening of all USB external storage devices is conducted to ensure that only devices meeting our security standards are authorized for use.</li> <li>10. Following the guidance of the Financial Supervisory Commission, we have established a dedicated cybersecurity unit, appointing specialized managers and staff responsible for planning, overseeing, and executing cybersecurity management and governance.</li> <li>11. To safeguard critical information assets, we deploy two heterogeneous endpoint detection and response (EDR) solutions as a complementary defense mechanism against cyber intrusions.</li> <li>12. For our corporate website, we have adopted third-party cybersecurity exposure services that utilize non-intrusive public data collection, honeypot mechanisms, and integrated threat intelligence. Combined with vulnerability scanning engines, these tools provide external risk assessments, continuous monitoring, and vulnerability remediation.</li> </ol>
<p>Legal risk</p>	<p>Compliance risk</p>	<ol style="list-style-type: none"> <li>1. In 2024, the Legal Division provided timely written and oral consultations as well as response suggestions regarding those legal questions advanced by different user units, and ensured that the activities of the Company complied with legal provisions.</li> <li>2. The Company conducted overall assessment and researched relevant overall solutions in relation to the latest important laws and policies at home and abroad (such as the Commercial Event Trial Act, the Company Act and the Securities and Exchange Act) to provide related people of the Company for reference at an appropriate time.</li> <li>3. When necessary, the Company will solicit opinions from competent authorities or external parties to confirm whether relevant legal opinions are appropriate.</li> <li>4. Operations proceeded smoothly in 2024.</li> </ol>
	<p>Transaction risk</p>	<ol style="list-style-type: none"> <li>1. The Legal Division accepts the preparation and review of legal documents related to various transactions, fully understands the background fact, our stance and contracting purpose through individual discussion or meeting and provides appropriate and feasible suggestions to promote the completion of transaction while ensuring the Company's interests and avoid the derived default risk and liability.</li> <li>2. Pursuant to regulations of the Company, special person is designated to manage and use the seals of the Company, and the Legal Division requires the clarification or supplement of noncompliant legal or contractual documents to well perform the management responsibility.</li> </ol>

Risk Categories	Risk Profile	Risk Management Policy or Strategy
	Dispute resolution	<p>3. Operations proceeded smoothly in 2024.</p> <p>1. The Legal Division adheres to the following principles in managing litigation cases:</p> <ol style="list-style-type: none"> <li>(1) It holistically considers the resolution process, manpower, time and cost requirements, finality of outcomes, and feasibility of enforcement, in order to formulate appropriate dispute resolution strategies.</li> <li>(2) A thorough understanding of the facts is established, followed by the development of robust litigation or negotiation strategies, supported by compelling evidence and credible witnesses.</li> <li>(3) External professional opinions are solicited when necessary, and qualified legal representatives are engaged to ensure effective cost control.</li> </ol> <p>2. In 2024, legal consultation and support were provided for three personnel litigation cases handled by the Human Resources Department (all involving the same employee).</p>
	Awareness and behavior of compliance	<p>1. Participate in educational and training events organized by competent authorities or external institutions, timely remind and reinforce legal risk awareness among colleagues of different departments through individual discussion, meeting discussion or opportunity when the legal assistance is provided, internalize the awareness in the daily working behaviors of colleagues, thereby reducing the risks of the Company.</p> <p>2. Operations proceeded smoothly in 2024.</p>
Human resources risks	Risk of human resource shortage	<p>In addition to managing previously assessed risks, risk management mechanisms were dynamically adjusted in response to changing risk factors in 2024.</p> <p>The 2024 operational status is as follows:</p> <p>1. Risk of Talent Shortage – Insufficient Workforce Supply:</p> <ol style="list-style-type: none"> <li>(1) Talent Acquisition: <ul style="list-style-type: none"> <li>● Candidates were sourced through online recruitment platforms, ESG websites, and professional networks such as LinkedIn. Interns were also recruited from prestigious domestic and international universities to help students explore career development paths, while enhancing the Company's brand visibility and increasing the appeal of job opportunities.</li> </ul> </li> <li>(2) Talent Development: <ul style="list-style-type: none"> <li>● Set up the training map and make the plan: CCPG's training and education is divided into new personnel training, core and managerial function training, professional function training, common sense courses, and language courses, etc. according to common scope and course targets. There are also different units responsible for training and education.</li> <li>● In response to the broader shift toward technology-driven human impact, efforts were made to reshape and upskill the workforce.</li> <li>● An annual promotion nomination system was established, supported by a Talent Review Committee to ensure open and effective promotion channels, enabling high-potential employees to thrive in roles aligned with their strengths.</li> </ul> </li> <li>(3) Talent Deployment <ul style="list-style-type: none"> <li>● Efforts were made to enhance the nomination process for managerial talent reserves and improve execution efficiency. Talent identification and development plans were further strengthened to ensure the effective implementation of succession planning.</li> </ul> </li> </ol> <p>2. Stability Risk – Risk of Employee Turnover:</p> <ol style="list-style-type: none"> <li>(1) The Company continues to maintain strong communication with the labor union. In 2024, effective labor-management cooperation was fostered through regular meetings such as labor-management conferences, general member assemblies, and board/supervisory meetings, along with daily open communication and interaction.</li> <li>(2) A competitive compensation system is in place to incentivize employee performance and enhance overall morale.</li> <li>(3) The Company's internal regulations specify the annual employee bonus allocation ratio, ensuring that all employees share in the Company's operational achievements. Bonus-related matters continue to be implemented in strict accordance with company policies.</li> <li>(4) As regards the compensation of employees of overseas subsidiaries, the Company not only sets reasonable and competitive salary levels in accordance with the local labor market conditions, but also makes reference to local laws and regulations, industry practices and the overall operating performance of each subsidiary to encourage its employees to make long-term contributions and grow with the Company.</li> </ol> <p>3. Legal Compliance Risk</p> <ol style="list-style-type: none"> <li>(1) The Company has established the "Code of Ethical Conduct" and the "Procedures and Guidelines for Ethical Business Practices." At the group level, additional regulations include the "Code of Ethical Conduct for Directors and Managers" and the "Guidelines on Employees' Outside Employment". In 2024, the Company continued to offer training sessions on ethics and legal compliance.</li> <li>(2) An external legal advisory team specializing in labor law provides timely legal guidance. Designated personnel regularly review HR regulations for compliance and ensure enforcement; updates are made as needed in response to legal revisions.</li> <li>(3) A whistleblowing mechanism has been put in place to ensure effective enforcement. The Company has established the "Procedures for Handling Cases of Illegal and</li> </ol>
	Risk of increase in labor costs - backlog risk	
	Risk of employee turnover	
	Compliance risk	



Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<p>4. We organize annual professional safety and environmental training sessions for both southern and northern regions. The southern session was held on April 2024, at the USI Linyuan plant, while the northern session is scheduled for August 30 at the CGPC Toufen Plant. The courses include hands-on training in incident command for fire response, entanglement injury prevention, and fall protection in elevated work, aimed at enhancing the professional competencies of safety and environmental personnel.</p> <p>5. We have prepared a one-page promotional document and reminder notice regarding significant environmental accidents within the group and in domestic and international news. This is to be distributed to each factory within the group for awareness, aiming to prevent similar incidents from occurring.</p> <p>6. We continuously monitor and track changes in environmental regulations. Through active participation in public hearings on new or amended environmental regulations organized by industry associations such as the Taiwan Petrochemical Association, we engage with the relevant authorities.</p> <p>7. In 2024, we established eight environmental management plans, one energy management plan, and eleven safety and health management plans, in alignment with the Group's declared Five-Zero goals: zero occupational injuries, zero accidents, zero pollution, zero emissions, and zero failures.</p> <p>8. From April 11 to April 12, 2024, we completed the external audit for the ISO 14001 environmental management system, with the certification remaining valid until July 2, 2025.</p> <p>9. We have conducted compliance assessments for occupational safety, environmental protection, and fire regulations applicable to the USI Kaohsiung plant, and provided improvement recommendations where standards were not met.</p> <p>10. Enforcement of safety education and training in accordance with the law</p> <p>11. We continue to monitor domestic and international changes in environmental regulations and propose responsive measures. Updates on regulatory changes are reported quarterly in the environmental management meetings.</p>
Climate change risks	<ul style="list-style-type: none"> <li>• Water resource management</li> <li>• Carbon neutral/Carbon tax</li> </ul>	<p>1. The Group has set a carbon reduction target for 2030, aiming for a 27% reduction in carbon emissions compared to 2017 levels. The long-term goal is to achieve carbon neutrality by 2030. We are actively implementing corresponding strategies and management mechanisms. Domestic production plants in the group continue to carry out ISO 14064-1 greenhouse gas inventories and verifications, and plan and execute carbon reduction measures. The group is also actively developing external renewable energy projects. By the end of 2023, the accumulated grid-connected capacity of solar energy projects reached 7.2 MW.</p> <p>2. The Group carried out the annual Group Plant Visit Plan for Energy Conservation and Carbon Reduction. On March 22, 2024, a visit was made to the Kaohsiung Plant to advocate energy conservation and carbon reduction trends and policies. Discussion at the meeting mainly focused on the analysis and improvement measures of major carbon emission and energy consuming equipments, energy efficiency measurement of equipments and improvement tracking of diagnostic results, energy saving and carbon reduction technologies promoted horizontally by the Group, and presently surveyed the improvement of compressed air and steam leakage, and thermal and thermal insulation wrapping, and regular follow-up tracking was implemented after the meeting.</p> <p>3. The Group has scheduled the 2024 Group Plant Technology Case Study Presentation on November 14, 2024. Exemplary cases were presented, among which the best were selected and given awards to encourage plants to continue to implement and improve industrial safety and environmental protection, equipment pre-insurance, energy conversation, and carbon reduction.</p> <p>4. To proactively respond to the government's carbon pricing policy, effectively address climate change, and reduce carbon risks, the Group introduced an internal carbon pricing system in 2024. The price will be based on domestic carbon pricing standards, and the system is being integrated into corporate decision-making and investment evaluation processes to assess the impact of carbon emissions on business operations and accelerate the implementation of carbon reduction measures. On July 9 and 10, 2024, two training sessions were held to help factory employees understand the concept and application of internal carbon pricing. This supports the swift implementation across the factories. Additionally, on September 19, a carbon awareness session was organized for all group employees, aimed at raising awareness and achieving the goal of sustainable business practices.</p> <p>5. Continue to pay attention to and grasp the changes in policies and regulations related to energy and carbon reduction, actively participate in public hearings on new (revision to) relevant laws and regulations such as the Climate Change Response Act, and evaluate the impact and response of changes in laws and regulations.</p> <p>6. Reference TCFD and international research reports to identify climate change risks and opportunities and devise major projects based on the likelihood of occurrence and impact.</p> <p>7. In response to the opportunity for energy transformation provided by climate change, the Group is actively planning for the on-site development of new energy sources. Solar photovoltaics will be the focus at the initial stage, after which other new energy opportunities will be researched and analyzed.</p> <p>8. Conducts regulatory audits and compliance assessments in accordance with ISO 14001.</p>

## Review and Analysis of Financial Position and Performance and Associated Risks - Consolidated Information



Risk Categories	Risk Profile	Risk Management Policy or Strategy
		9.ISO-46001 Water resource efficiency management systems has been established. 10. Carbon fees are estimated monthly and provided to the accounting department for reference. 11. The carbon reduction volume for each quarter is calculated based on the environmental management plans.
Risk of disasters and accidents	<ul style="list-style-type: none"> <li>• Risk of not tracking and reviewing the causes of accidents and improvement plans</li> <li>• Risk of operation and property/personnel loss</li> <li>• Risk of employee job hazard</li> <li>• Risk of operation interruption</li> </ul>	1. The Company revised the methods for accident investigation and the investigation and management of false-alarm accidents, and reexamined the procedures for accident investigation, including both accidents and false-alarm accidents. Education, training, and drills were also held on accident investigation and analysis techniques in order to strengthen professional knowledge and skills for accident investigation. 2. Regularly track the progress internal and external audits to maintain the validity of ISO 14001 and ISO 45001 certificates. Continues to promote the strengthening of occupational health management and PSM. 3. Revisions were made to "Measures for Emergency Preparedness and Response Management" and "Emergency Response Plan and Procedures" in an effort to reassess the organization structure for emergency response organization and strengthen the reporting process for emergency response. The goal is that organizational members can be quickly mobilized in the event of an emergency and take correct actions to effectively control disasters and reduce losses. 4. In 2024, the Kaohsiung Plant conducted two emergency response and fire drills, one planned emergency response to toxic chemical substances, two emergency response drills on toxic chemical substances without warning, and also conducted three emergency response equipment trainings to strengthen personnel emergency response. Environmental safety and fire trainings are held in the quarterly safety meetings of each unit to enhance colleagues' environmental safety culture and knowledge. 5. The Repair section carries out the repair and maintenance of machinery and equipment according to the annual repair and regular maintenance plan. 6. The Company continues to take out public liability insurance, toxic chemical substance operators liability insurance, transportation insurance, and operation interruption insurance to reduce operational losses.
Technology risk	Risk of information security breaches arising from the adoption of new technologies, resulting in losses to the Group and employees	1. An annual inventory of SSLVPN user accounts is conducted, with the principle of "maintaining minimal privileges" as the cybersecurity control standard. 2. Keeping abreast of various information security issues (e.g. information security news released by the National Institute for Information Security), and reviewing and correcting the weaknesses of the Group's information security environment. 3. We continue to manage cybersecurity according to the three-phase defense system (pre-event, during-event, and post-event) principle, as defined by the group's operational practices. 4. Business laptops are managed in conjunction with the SSLVPN connection management system to ensure cybersecurity controls during remote usage.
	Lagging in response to market consumption habits and production technology	1. We promote smart monitoring of reactor stirrer bearings to prevent bearing wear and overheating, avoiding control failures that could affect process safety and product quality. 2. The Company has successfully developed high VA and low MI products, expanded the product specifications, and improved the product quality and production efficiency. 3. The Company maintains intensive contact with our customers to develop this product from shoe materials to wire and cable applications, and develop different specifications for different applications to meet customer needs.
Other risks	Environmental incident (after the occurrence of a major environmental pollution incident, the toxic and hazardous substances emitted and the energy flow released will immediately enter the environment, and may lead to a series of crowd poisoning, fire, explosion and other serious pollution of the environment and ecological damage)	1. An abnormal wastewater reporting and emergency response system is in place. No wastewater anomalies were reported in 2024. 2. In 2024, the Company completed training, drills, and education campaigns for toxic chemical disaster prevention and rescue, including 2 no-warning tests and 1 comprehensive drill. 3. Manage waste storage, removal, and disposal, and perform monthly on-site inspections. If there is any discrepancy, review and improve the situation immediately. 4. The plant has established crisis handling measures and emergency preparedness and response management measures.
	Transportation Safety - Underground Pipes (Accidents caused by fires, explosions, etc. arising from leakage of underground pipelines or tanker trucks, resulting in casualties or property damage and risk of operational disruptions.)	1. We completed the verification and excavation of the smart pipeline inspection tool (ILI) for underground pipelines, ensuring the accuracy of the inspections and repairing the pipeline anti-corrosion coating to ensure the integrity of the underground pipelines. 2. The system structure for underground pipeline integrity management, established by the Kaohsiung City Government Economic Development Bureau, has passed audits by the Economic Development Bureau and the Park Management Bureau. 3. A risk reassessment report for the underground pipelines was completed based on the smart pipeline inspection tool (ILI) data report. 4. The Federation of Restricted Areas (FRAC) organizes all factories to appoint a professional security company to carry out daily inspections and occasional inspections and audits.

Risk Categories	Risk Profile	Risk Management Policy or Strategy
		5. On-site surveillance is periodically conducted during third-party excavation activities to prevent damage by third parties. 6. Carry out pipeline maintenance management, cathodic anticorrosion inspection, the thickness measurement of exposed pipe sections, and stray current monitoring to ensure the normal operation of the pipeline anti-corrosion system 7. Cooperate with the requirements of the Pipeline Management Center of the Economic Development Bureau to complete the emergency response training and drills for patrol personnel and operators.

(XV) Other significant matters and action plans:

1. Receivables recovery risk

- (1) Executive and responsible unit: Trust Department
- (2) Conduct usual transactions through advance receipts or letter of credit (L/C), provide credit to customers based on their credit limits and risks after performing credit assessment, and purchase accounts receivable insurances involving mainland customers whose risks are beyond its control to reduce risks to a manageable level.

2. As of the publication date of this annual report, there has been no other risk issues in the Company



## VII. Other Important Matters:

### (I) Key performance indicators of USI Corporation

1. Injury-free working hours: The production environment at Renwu plant, with a strong emphasis on occupational safety, health and environmental protection, won the Excellence Award in the "Selection of Excellent Units and Employees Promoting Occupational Safety and Health" conducted by the Ministry of Labor. Renwu Plant paid special attention to the production environment as well as workplace safety and environmental protection. As of December 31, 2024, it has accumulated a total of 1,618,093 injury-free working hours .
2. Equipment operating rate: In 2024, the equipment operating rate was 74.72%.

### (II) Key performance indicators of Asia Polymer Corporation (APC)

1. Injury-free working hours: As of December 31, 2024, the high-temperature and high-pressure production environment at Linyuan plant, with a strong emphasis on occupational safety, health and environmental protection, has accumulated 497,182 hours in terms of injury-free working hours in total.
2. Equipment operating rate: Apart from production shutdown due to equipment maintenance and power outage, production at the plant remains normal for the rest of the time. The equipment operating rate in 2024 was 97.70%.

### (III) Key performance indicators of CGPC

1. Production rate: Compared to the annual target, the production rate for raw material products was 77.30%, and 84.20% for processed products.
2. Yield rate: Compared to the annual target, the yield rate for raw material products was 100.30%, and 99.20% for processed products.
3. Customer objections: The ratio of annual losses from customer complaints (excluding quantity discounts) in 2024 was 0.1387% (the losses from customer complaints as a ratio of the revenue) and it was within the Company's control.
4. Employee proposals: There were 372 proposals (established cases) and the estimated savings is NT\$25.185 million in 2024.
5. Workplace accidents: Injury frequency (number of disabled persons per million hours) in 2024: 0. Injury severity rate (total number of days of losses due to disability and injury per million hours) in 2024: 0.

### (IV) Key performance indicators of TTC

1. Disaster-free working hours: As of December 31, 2024, the cumulative disaster-free working hours for each plant were 2,684,669 hours for the Cianjhen Plant, 2,099,314 hours for the Linyuan plant, 1,650,467 hours for the Toufen Plant and 2,099,314 hours for the Zhongshan Plant.
2. Equipment operating rate: In 2024, the equipment operating rate for ABS/SAN was 83.54%; GPS 98.2%; EPS 97.0%; Glasswool 95.9%; and Zhongshan Plant 89.5%.

### (V) Key performance indicators of ACME Electronics Corporation

1. Injury-free working hours: As of December 31, 2024, the high-temperature and high-pressure production environment at Linyuan plant, with a strong emphasis on occupational safety, health and environmental protection, has accumulated 1,377,929 hours in terms of injury-free working hours in total.
2. Equipment operation rate: Due to internal competition issues with mainland Chinese manufacturers, the Taoyuan Plant was unable to operate at full capacity. The equipment operation rate for 2024 was 63.3%.

### (VI) Pollution prevention:

1. The Company's subsidiary, TVCM rented part of the land occupied by the China Petrochemical Development Corporation's Cianjhen Plant from January 1, 1970 to December 31, 1989 to set up

- its plant and manufacture In October 2006, the area was deemed a groundwater pollution control site. After remediating the area using the "Physics+Chemistry+Biology" engineering method developed by INOMA Corporation, the groundwater pollution concentration level of the site decreased to less than the groundwater pollution control standard. Based on the findings of re-inspections by the Environmental Protection Bureau of the Kaohsiung City Government on January 11 to 12, 2016, it was announced on April 11, 2016 that the area had its status as a groundwater pollution control site terminated and was removed from the delineation of the groundwater pollution control region. In 2022, the second Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from Kaohsiung Environmental Protection Bureau: The Kaohsiung City Environmental Protection Bureau recognizes the performance of TVCM Environmental Development Department in the delisted control site of the CPDC Cianjhen Plant.
2. In 2010, part of the land occupied by the Company's Toufen Plant was listed as a groundwater pollution control site and included in the groundwater pollution control region by environment unit. Therefore, the Company introduced and implemented the "Physics+Chemistry+Biology" engineering method developed by TVCM to carry out remediation and improvement of the area. After the field samples collected were verified by environmental protection agencies, it was found that various data have complied with the government's control standards. The site was removed as a groundwater pollution control site by the EPA on February 24, 2017 and the Environmental Protection Bureau of the Miaoli County Government on March 21, 2017. In 2021, the second Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from the EPA of the Executive Yuan: The EPA recognizes the performance of TVCM Environmental Development Department in the delisted site of the Company's Toufen Plant.
  3. GGTC, a subsidiary of TVCM, has won the certificate of explanation and analysis of treatment technology for polluted site issued by the EPA of the Executive Yuan. The EPA promotes remediation technology certification and verification, collecting information from domestic companies and successful delisting cases. Recently, the EPA publicly recognized the remediation technology of TVCM Environmental Protection Department on the "Soil and Groundwater Pollution Remediation Network".
  4. Director Hua-I Chien from GGTC, a subsidiary of TVCM, won the Outstanding Planning Manager Award for 2020 conferred by Taiwan Association for Soil and Underground Environment Protection.
  5. GGTC, (a subsidiary of TVCM), was awarded the "Soil and Groundwater Symposium - Best Paper Award" from the Chinese Institute of Environmental Engineering - 33rd Annual Conference and from various other specialized academic seminars.
  6. Newly developed oil-degrading bacteria in 2022: After the soil of oil-polluted sites were domesticated in laboratories, bacteria with degradative functions were screened out; and following fermentation and cultivation, toluene and naphthalene degradation genes were detected, which showed the ability to degrade benzene and toluene. In addition, the properties of diesel oil can be used for on-site renovation.

## Review and Analysis of Financial Position and Performance and Associated Risks - Consolidated Information



8. In 2023, the excellent performance of groundwater remediation at the Toufen plant of TVCM, a subsidiary of the Company, was recognized by the Environmental Protection Agency of the Ministry of the Environment (MOE), and the Company was selected as the "Excellent Unit of Green Sustainable Remediation".

9. In 2023, Ocean Plastics's Luzhu plant was officially certified to have been de-listed, which was also the first remediation completion achievement for GGTC, (a subsidiary of TVCM).

The results of the above remediation cases have been recognized by experts and scholars from Society of Environmental Engineers (SEE) and the Environmental Protection Professionals Association and awarded with Outstanding and Outstanding Paper Awards; the Environmental Analysis Laboratory has also obtained the Waters ERA Laboratory Proficiency Comparison Certification in the U.S.A. to demonstrate the quality of testing; the drilling rig team has passed the examination to obtain the Well Drilling Technician License of the Ministry of Economic Affairs' Department of Water Resources; and the application of Bio-crystalline Spheres is being developed and submitted to the patent application process.

## Chapter 6. Special Notes

### I. Information regarding Affiliated Companies:

The 2024 consolidated business report for affiliated companies has been announced on the MOPS. Please refer to the basic information/e-books/affiliated companies section of the observatory for further details.

[https:// doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co\\_id=1304&year=&mtype=K&isnew=true](https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=1304&year=&mtype=K&isnew=true) °

### II. Private Placement of Securities of the Most Recent Year up to the Publication Date of this Report: None.

### III. Other Necessary Supplementary Notes to be Included: None.

### IV. Any Event which has a Material Impact on Shareholders' Rights and Interests or the Company's Securities as Prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities And Exchange Act, that have Occurred in the Most Recent Fiscal Year up to the Publication Date of this Annual Report shall be Indicated Individually: None.

USI Corporation



Chairman of the Board: Quintin Wu

