Message from Management (GRI 2-22)

Dear Stakeholders

Amidst the sharp fluctuations in the global political and economic landscape, the urgent challenges of climate change, and the structural shifts facing the petrochemical industry chain, in 2025 we continued to uphold the philosophy of "Creating Sustainable Value Together, Building a Sustainable Society Together." Our goal is to create long-term shared benefits for all stakeholders, including customers, shareholders, employees, society, and the environment. In the face of uncertainty in the broader environment, we have responded with greater agility and firm governance decisions, strengthening corporate resilience and driving comprehensive transformation.

Precise Transformation, Cultivating High-Value Blue Oceans

Over the past year, the general-purpose resin market has faced severe overcapacity, leading to unprecedented "red ocean" competition in the petrochemical industry. We deeply recognize that moving toward high value-added products is the true solution for sustainable operations.

Therefore, we have actively invested in the development of lightweight, high-quality, and low-carbon circular materials. USI Corporation, Asia Polymer, Taita Chemical, and CGPC have all obtained ISO 14021 material certification and developed recycled circular products, while continuously expanding the breadth of B2C consumer applications.

We are committed to providing customers with higher-quality, more innovative, and competitive solutions to ensure long-term profitability for shareholders and the enduring success of the enterprise.

Agile Collaboration, Empowering Operations with AI

In an era where profit margins are increasingly compressed, we have actively optimized our internal operations. We are comprehensively advancing the practical application of AI technologies, integrating artificial intelligence into production, administration, and R&D processes. By leveraging data-driven insights, we have significantly improved resource utilization efficiency and process yield.

At the same time, we are committed to cultivating a highly efficient "One Team" cross-departmental collaboration culture.

This not only empowers all employees with greater adaptability and competitiveness amid change, but also enables us to extend our lean and efficient management practices outward, driving supply chain partners to jointly embrace modernized and excellent operations.

Climate Resilience, Advancing Nature-Related Financial Disclosure

We fully recognize the interdependence between corporate operations and the natural environment. In terms of climate action, USI Corporation and CGPC both achieved Grade B (Management level) ratings in the CDP Climate Change and Water Security questionnaires. This accomplishment reflects the companies' outstanding transparency in environmental governance and their proactive practices in addressing climate risks and implementing resource management.

We remain firmly committed to our long-term goals of reducing carbon emissions by 27% by 2030 compared to the baseline year and achieving carbon neutrality by 2050. To realize low-carbon operations, Shengju Company has continued to expand its green electricity deployment. By 2025, solar grid-connected capacity had increased to 9 MW, generating more than 11.25 million kWh annually, with plans to further reach 12 MW by 2027.

In addition, responding to global concerns about biodiversity, five listed companies within the Group have fully launched the Taskforce on Nature-related Financial Disclosures (TNFD) initiative. Through systematic assessments of operational dependencies and impacts on natural capital, we are elevating environmental risk management to a new level, concretely fulfilling our commitment to ecological protection.

Human Rights Protection and Social Inclusion

Employees are the foundation of corporate transformation, and we are committed to building a diverse, inclusive, and safety-oriented workplace. At the same time, through the USI Education Foundation, we share the fruits of corporate growth with society.

In 2025, the foundation invested approximately NT$10.04 million to continuously support a wide range of public welfare projects, including scholarships for outstanding students, education and local revitalization in Hualien and Taitung rural areas, medical services in underserved regions, after-school tutoring for disadvantaged children, indigenous cultural revitalization, and coastal cleanup initiatives. These efforts have generated substantial and lasting social impact.

2025 ESG Results

In 2025, CGPC and TVCM advanced to a new milestone in the ESG domain. Both companies passed the Ministry of Environment's "Voluntary Reduction Program," effectively lowering energy consumption and operating costs through AI process optimization and an increased share of low-carbon energy, demonstrating their determination to achieve net-zero emissions.

On the environmental front, CGPC's Main plant achieved remarkable results. In addition to installing a 1.88 MW solar system, it completed a small-scale demonstration of the "Process Byproduct Hydrogen Recovery and Fuel Cell Cogeneration Integration Project," reducing the project's electricity carbon intensity by 85%. The plant also successfully obtained ISO 14021 recycled material certification and the SGS Green Mark. Furthermore, both CGPC and TVCM passed third-party verification of greenhouse gas offset projects, with TVCM's Linyuan plant recognized by the Industrial Development Administration as a "Low-Carbon Demonstration Plant in Manufacturing." In the IDA's smart petrochemical transformation initiative, TVCM received the "Smart Application Practice Award," while CGPCP's Linyuan plant was honored with the "Smart Transformation Potential Award."

On the social front, CGPC earned repeated recognition from authorities in talent development and occupational safety. The company also mobilized employee volunteer groups and charity associations to engage in coastal cleanups and community services, transforming corporate cohesion into local care and fulfilling its commitment to sustainable development.

Future Outlook

In response to the challenges and opportunities brought by the transformation toward semiconductor materials and the B2C market, we will continue to strengthen market sensitivity and production line flexibility. Through innovation and forward-looking vision, we aim to create sustainable value in collaboration with our industry partners.

With the united efforts of all colleagues, we are confident in our ability to lead the Group steadily forward and make solid progress on the path of sustainable development, shaping a long-term future together.

China General Plastics Corporation

Quintin Wu, Chairman