

Stock Code: 1305

China General Plastics Corporation

Annual Report of 2024

Website of the Annual Report

CGPC website: <https://www.cgpc.com.tw>

M.O.P.S.: <https://mops.twse.com.tw>

Date of Publication: March 31, 2025

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V. Name of the exchange where the overseas marketable securities are listed for trading and how to inquire about the overseas marketable securities: None.**VI. Company Website: <https://www.cgpc.com.tw>**

Table of Contents

	<u>Page Number</u>
I. Letter to Shareholders	1
II. Corporate Governance Report	5
1. Information of Directors, Supervisors, General Managers, Deputy General Managers, Senior Managers, and Heads of Departments and Branches	5
2. Remuneration Paid to Directors, Supervisors, General Manager, and Deputy General Manager during the Most Recent Fiscal Year	18
3. The State of the Company's Implementation of Corporate Governance	32
4. Information on CPA Professional Fees	140
5. Information on Change of CPA.....	141
6. The Company's Chairman, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of Its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm	142
7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Managerial Officer, or Shareholder with a Stake of More than 10 Percent.....	142
8. Relationship Information, If Among the Company's Top 10 Shareholders Anyone Is a Related Party, Spouse, or a Relative Within the Second Degree of Kinship.....	144
9. Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company	145
III. Funding Status.....	146
1. Capital and Shares.....	146
2. Issuance of Corporate Bonds	151
3. Issuance of Preferred Stocks.	151
4. Issuance of Global Depository Receipts	151
5. Status of employee stock options as of the publication date of the Annual Report, including the names of managerial officers who have received employee stock options and the top ten employees who have received employee stock options, along with their exercise and subscription details.	151

6.	Status of employee rights to newly issued shares as of the publication date of the Annual Report, including the names of managerial officers who have received restricted employee rights to newly issued shares and the top ten employees who have received such rights, along with the details of their acquisition.....	151
7.	Status of New Share Issuance in Connection with Mergers and Acquisitions .	151
8.	The State of Implementation of the Company's Capital Allocation Plans	151
IV.	Operations Overview	152
1.	Business Activities	152
2.	Analysis of the Market as well as Production and Marketing Situation.....	163
3.	Employee Information	176
4.	Information Regarding Environmental Protection Expenditure	177
5.	Labor Management Relations	180
6.	Cybersecurity Management	189
7.	Important Contracts.....	196
V.	Review and Analysis of Financial Position and Performance and Risk Items .	198
1.	Financial Position.....	198
2.	Financial Performance	199
3.	Cash Flow	201
4.	Impact of Significant Capital Expenditures in the Latest Year upon Financial Performance	202
5.	Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated thereby, the Plan for Improving Re-Investment Profitability, and Investment Plans for the Coming Year.....	205
6.	Risk Analysis and Assessment	205
7.	Other Important Matters:The Company's Key Performance Indicators	222
VI.	Special Notes	223
1.	Information Regarding Affiliated Companies.....	223
2.	Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: ...	223
3.	Other Supplementary Information.	223
4.	Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report.....	2233



I. Letter to Shareholders

Dear Shareholders,

Thank you for your support to our company over the years. The business report is provided here for your reference.

1. Business Report of 2024

In 2024, the Company's consolidated net sales totaled NT\$11.087 billion, achieving 72% of the annual budget and representing a decrease of NT\$2.62 billion compared to the same period last year. The consolidated operating loss amounted to NT\$843 million, reaching -94% of the budget target, and reflecting a decline of NT\$1.303 billion compared to the same period last year. The consolidated net loss after tax was NT\$751 million, achieving -104% of the budget, and representing a decline of NT\$1.145 billion compared to the same period last year. The portion of the consolidated net loss attributable to the Company's shareholders was NT\$710 million, a decline of NT\$1.052 billion compared to the same period last year.

In terms of raw materials:

Ethylene: At the beginning of the year, oil prices were temporarily driven up by extended OPEC+ production cuts and geopolitical tensions. However, as global economic growth slowed and China's excess petrochemical capacity increasingly impacted the global market, ethylene and its derivatives saw a price decline. Despite conservative operations among cracking plant in Asia, the sluggish recovery in China and weak global demand continued to place downward pressure on the ethylene market.

EDC: The overall economic situation and demand outlook for EDC remained uncertain. In addition, poor profits from alkaline chlorine plants, operating conservatively, resulted in limited EDC production. New production capacity in Asia failed to come online as scheduled, and Middle Eastern supply continued to be unstable. Consequently, regional EDC supply remained relatively tight. Moreover, surging ocean freight rates, driven by geopolitical tensions, reduced the benefits of long-haul purchases. As a result, EDC price reductions in Asia have been minimal compared to the prices of downstream products, significantly depressing margins for VCM factories reliant on imported EDC.

In terms of products:PVC/VCM:

The prolonged downturn in China's real estate market resulted in weak domestic demand for PVC resin. Additionally, new added production capacity has exacerbated the imbalance between supply and demand. Annual export volumes have exceeded 2.6 million metric tons, positioning China as the world's largest PVC exporter. The surplus production has been sold in overseas markets at competitive prices, with export prices repeatedly reduced to near marginal costs, significantly compressing the profit margins of the PVC market. Upstream raw material VCM prices have weakened in tandem with PVC prices, further squeezing profitability. Meanwhile, downstream demand has impacted the import volume of VCM in China, Asia's largest importer of VCM, with imports declining by over 16%. VCM manufacturers have responded by extending maintenance periods or reducing operating rates. Nevertheless, they remain unable to avoid the negative impact of falling market prices on gross margins.

The Company's annual PVC production capacity is 300,000 metric tons. After deducting the quantity used for producing downstream processed goods, external sales amounted to 276,000 metric tons, reflecting decreases of 22% compared to last year and 27% compared to the budget projections. The Company's key subsidiaries, Taiwan VCM Corporation, recorded an annual VCM production of 319,000 metric tons. After deducting for the quantity used for the production of PVC resin within the company, external sales totaled 27,000 metric tons. This represents a decrease of 25% compared to the last year and 27% compared to the budget projections. Chlor-Alkali: The continued expansion of semiconductor manufacturing facilities has driven demand growth. In the second half of the year, liquid alkali prices in Asia surged, accompanied by rising domestic chlor-alkali prices. The Company's annual production capacity is 63,000 metric tons (calculated at 100% concentration), with sales totaling 58,000 metric tons, An increase of 6% and 11% compared to 2023 and the budget. Processed Product: Due to ongoing labor shortages and rising raw material costs, construction project timelines have slowed, further impacted by government housing policies, the Company's annual production of construction product is 17,000 metric tons, with total sales also at 17,000 metric tons. This represents a decrease of 14% compared to the previous year and 19% compared to the budget projections. Sheet/Film Products: Due to declining end market demand and equipment damage from an incident in the third quarter, the Company produced 17,000 metric tons for the year, with sales of 16,000 metric tons - down 21% from the prior year and 31% from budget projections. With demand from Europe and the U.S. showing no signs of recovery and import volumes remained limited, the Company produced 4.67 million yards of leather products for the year, with sales volume at 4.71 million yards, a reduction of 8% compared to the previous year and 17% compared to budget projections.



2. Outline of 2025 Business Plan

In terms of raw materials:

Ethylene: Global demand for petrochemical products is expected to remain in slow growth this year. However, China's planned capacity expansion for refining and chemical production shows no signs of slowing. The imbalance between supply and demand will likely persist in the short term. It is anticipated that cracking plants will continue to adjust operating rates in response to changes in profit margins. If downstream sectors are unable to pass on the costs, there will be limited room for further price increases in Asia's ethylene market.

EDC: Sodium hydroxide demand in Asia has continued to grow steadily, supported by the aluminum refining industries in Indonesia and China. This upward trend is expected to drive higher chlor-alkali operating rates, which in turn will increase EDC supply. With new EDC production capacity coming online in South Korea earlier this year, overall regional supply is anticipated to rise compared to the same period last year, potentially leading to a softening in EDC prices.

In terms of products: China's economic recovery continues to face multiple challenges, prompting expectations of more aggressive policies to stimulate domestic demand. Meanwhile, demand in emerging markets such as India and Vietnam is expected to maintain steady growth. However, global PVC production capacity continues to outpace demand, necessitating disciplined supply-side adjustments. Additionally, the Company will closely monitor regional price differentials caused by trade barriers to identify opportunities for improving overall profitability.

Despite the significant impact of China's petrochemical overcapacity, CGPC remains steadfast in its belief of advancing aggressively in favorable times and maintaining stability in challenging times. The Company continues to push forward organizational transformation and structural improvement, advance projects to replace outdated and energy-intensive equipment, and integrate AI and smart technologies to optimize production processes, improve energy efficiency and strengthen overall management effectiveness. At the same time, CGPC is leveraging its solid foundation built over the years to actively expand into diversified and high-value markets. In the field of eco-friendly materials, several of our products have received strong recognition from European and American brands with their orders and have entered mass production. The second-generation cooling leather, developed in collaboration with the USI Group Innovation Center, has not only been adopted by major



domestic motorcycle manufacturers, but is also being promoted in partnership with local shared scooter brands. These achievements underscore CGPC's commitment to environmental protection and social responsibility. Backed by unwavering confidence in future development and a long-term commitment to sustainable growth, our management team remains committed to improving workplace safety and environmental protection, continuously reducing costs, and fulfilling our corporate social responsibility to achieve long-term sustainability.

Chairman: Wu, Yi-Gui

President: Hu, Chi-Hong

II. Corporate Governance Report

I. Information of Directors, Supervisors, General Managers, Deputy General Managers, Senior Managers, and Heads of Departments and Branches

(I) Members of the Board of Directors

1. Members of the Board of Directors

March 29, 2025

Unit: Shares

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Appointment)	Term	Date First Elected (Note 3)	Shares Held when Elected		Shares Currently Held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 4)	Concurrent Positions in the Company and Other Companies	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Note
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director and Chief Executive Officer	Taiwan (R.O.C.)	Union Polymer International Investment Corporation Representative: Wu, Yi-Gui	Male 71 to 75 years old	2022.05.30	3 years	2001.6.12	145,079,236	24.97%	145,079,236	24.97%	—	—	—	—	Chairman, USI	(Note 6)	None			Note 5
						1997.2.27	—	—	—	—	—	—	—	—						
Vice Chairman	Taiwan (R.O.C.)	Union Polymer International Investment Corporation Representative: Lin, Han-Fu	Male 76 to 80 years old	2022.05.30	3 years	2001.6.12	145,079,236	24.97%	145,079,236	24.97%	—	—	—	—	Graduated from Dept. of Chemical Engineering of Chung Yuan Christian University. Chairman of Taiwan VCM Corporation; Deputy Manager of the Plastics Division of Formosa Plastics; Manager and Consultant of the Polypropylene Division of Formosa Plastics	(Note 7)	None			
						2010.6.18	—	—	—	—	145,077	0.02%	—	—						
Director	Taiwan (R.O.C.)	Asia Polymer Corporation Representative: Wu, Pei-Ji	Male 56 to 60 years old	2022.9.23	2 years and 8 months	2022.5.30	46,886,185	8.07%	46,886,185	8.07%	—	—	—	—	Experience provided in (Note 8)	(Note 9)	None			
						2022.9.23	—	—	—	—	—	—	—	—						
Director	Taiwan (R.O.C.)	Asia Polymer Corporation Representative: Liu, Han-Tai	Male 71 to 75 years old	2022.05.30	3 years	2022.5.30	46,886,185	8.07%	46,886,185	8.07%	—	—	—	—	PhD in Chemical Engineering, Pennsylvania State University (U.S.A.)	(Note 10)	None			
						2010.6.18	—	—	—	—	—	—	—	—						



Note		Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Concurrent Positions in the Company and Other Companies		Education and Work Experiences (Note 4)		Shares Held in the Name of Other Persons		Shares Held by Spouse and Minors		Shares Currently Held		Shares Held when Elected		Date First Elected (Note 3)	Term	Date of Election (Appointment)	Gender Age (Note 2)	Name	Nationality or Place of Registration	Title (Note 1)	
		Relationship	Name	Title					Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares								
Director		None			(Note 11)		Graduated from the International Technological University (U.S.A.) and Maine Central Institute (U.S.A.). President and Chief Executive Officer of Lazy Wu Co., Ltd.		—	—	—	—	—	—	—	—	550,722	0.09%	2022.5.30	41 to 45 years old	USI Investment Co., Ltd. Representative: Wu, Hung-To	Taiwan (R.O.C.)		
									—	—	—	—	—	—	—	—	—	—	550,722					0.09%
Independent Director		None			(Note 13)		Bachelor, School of Dentistry Bachelor's degree, Taipei Medical University; experience provided in (Note 12)		—	—	—	—	—	—	—	—	—	2016.6.13	3 years	2022.5.30	Male 71 to 75 years old	Li, Zu-De	Taiwan (R.O.C.)	
Independent Director		None			(Note 14)		MBA, National Taiwan University. Chairman of Long Chen Paper Co., Ltd.		—	—	—	—	—	—	—	—	—	2016.6.13	3 years	2022.5.30	Male 61 to 65 years old	Zheng, Ying-Bin	Taiwan (R.O.C.)	
Independent Director		None			(Note 16)		Master of Business Administration, Swiss Business School; experience provided in (Note 15)		—	—	—	—	—	—	—	—	—	2022.5.30	3 years	2022.5.30	Male 56 to 60 years old	Hsu, Chen-I	Taiwan (R.O.C.)	
Independent Director		None			(Note 18)		School of Design, Hong Kong Polytechnic University; experience provided in (Note 17)		—	—	—	—	—	—	—	—	—	2024.5.28	1 years	2024.5.28	Female 66 to 70 years old	Chang, Chen-Ming	Taiwan (R.O.C.)	

Note 1: In the case of 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 1.

Note 2: Please indicate the actual age. Age ranges such as 41–50 or 51–60 may be used.

Note 3: Please indicate the date of the first appointment as a director or supervisor. If there was any interruption in service, please provide an explanatory note.

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

Note 5: Where the chairman and the general manager (or equivalent highest-ranking executive) are the same individual, or are spouses or first-degree relatives, the company shall disclose the reasons, reasonableness, necessity, and corresponding measures (e.g., increasing the number of independent directors, ensuring that the majority of directors are not concurrently serving as employees or managerial officers), as applicable.

The Company appoints the same person to serve as the Chairman and CEO of the Company due to overall business operations. We rely on the Chairman's insight for business operations to manage business decisions and improve operational efficiency.

More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee, Remuneration Committee, and Corporate Sustainability Committee to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.

Note 6: Chairman: USI, APC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Advancement, Chong Loong Trading Co., Ltd., USI Investment Co., Ltd., CGPC Polymer Corporation, Asia Polymer Investment Corporation,

Taiwan United Venture Capital Corporation, USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical
 Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake , USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, AS Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, PT. Swanson Plastics Indonesia, USI Green Energy, Zhangzhou USI, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, CTCI Group, Acme Advanced Materials and USI (Xiamen), Swanson (Kun Shan)
 General Manager: United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.
 Chief Executive Officer: USI, APC, CGPC, TTC, Acme Electronics Corporation and USI Optronics Corporation
 Executive Director: Chinese National Federation of Industries

Note 7: Chairman: TVCM

Director: CGPC (BVI), CGPC America, CGPC Polymer Corporation, CGTD, China General Terminal and Distribution Corporation, and Global Green Technology Corporation, and USI Education Foundation

Note 8: General Manager: Dow Chemical's Thermosetting Materials Division in Asia Pacific

Director: Dow Chemical's Basic Plastic Sales Division in Greater China

Sales Engineer: ESSO Taiwan Branch

Note 9: Chairman: USI Green Energy, Taita Chemical Company Limited (Zhong Shan), Taita Chemical Company Limited (Tianjin), CGPCPOL (Shanghai), Zhangzhou Taita, CIS (Xiamen), and Zhangzhou USI

Director: Dynamic Ever Investments, Ever Victory Global, Ever Conquest Global, Taita (BVI), APC (BVI), USI International, Golden Amber Enterprises, Swanlake , USI, Taita , APC, CGTD, USI Investment, APC Investment, Chong Loong, Swanson Plastics Corporation, Swanson Advancement, USI Education Foundation, Taiwan United Venture Capital Corporation, United Polymers Corporation, USI Management Consulting Corporation, Acme Electronics Corporation (Kunshan), Fujian Gulei Petrochemical, USI Optronics Corporation, USI (Hong Kong), Swanson Advancement (Kunshan)

General Manager: USI, Taita, APC, Chong Loong Trading Co., Ltd., CGPCPOL (Shanghai)

Note 10: Director: Ever Victory Global, Dynamic Ever Investments, Ever Conquest Global, Swanson (Malaysia), Continental General Plastics (Zhongshan) Co., Ltd., TVCM, CGTD, Swanson ,Taiwan United Venture Capital Corporation, USI Green Energy, Zhangzhou USI, ASK- Swanson, Swanson Plastics Corporation (Tianjin), Swanson Plastics Corporation (Kunshan)

Supervisor: Fujian Gulei Petrochemical

Deputy General Manager: USI Corporation

Note 11: Chairman: Lazy Wu Co., Ltd.

Note 12: Chairman: Taipei Medical University, Beijing Starbucks Coffee Co. Ltd., Shandong Kexing Bioproducts Co., Ltd.

Director: Beijing Yansha Department Store

Independent Director: Hsu Fu Chi International Limited (Singapore)

General Manager: H&Q Asia Pacific (China) and Hong Kong China Dynamic Growth Fund Management



- Note 13: Member of the ITRI Performance Target Setting Team
Vice Chairman: Diamond Capital
Director: Taipei Medical University, Diamond Biotechnology, Sun Bio Fund Inc., Microbio (Shanghai) Co., Ltd., and Heize Technology
- Note 14: Chairman: Long Chen Paper Co., Ltd., Qianjiang Investment, Long Chen Investment, Fuchun Resort Limited, Xinjian Investment
Directors: Long Chen Paper (China) Holdings Co., Ltd., L&C Co., (BVI), Metis International, Inc., Yuema Engineering Co., Ltd.
- Note 15: Chairman: TTFB, ZHE TAI CO., LTD., TTFB Social Welfare Charity Foundation
- Note 16: Chairman: TTFB company limited, Ch'eng Shih Investment
- Note 17: Director: Head of the Department of Commercial Design and the Graduate Institute, Chung Yuan Christian University
Deputy Dean: Resources of the College of Design, Chung Yuan Christian University
Chief Executive Officer: United Advertising Group
Chairman: United Advertising, Uniplan, Unimass, Darlun
President and Executive Director: United Communication Group
Director: ICRT and CTBC Business School Education Foundation
- Note 18: Director: Central News Agency and Sacred Heart Educational Development Foundation
Independent Director: Prince Construction & Development Co., Ltd.



2. Major Shareholders of Institutional Shareholder

March 29, 2025

Name of Juristic Person Shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)	Percentage of Ownership
Union Polymer International Investment Corporation	USI Corporation	100.00%
USI Investment Co., Ltd.	USI Corporation	100.00%
Asia Polymer Corporation	Union Polymer International Investment Corporation	36.08%
	Tai Lien International Investment Co., Ltd.	2.41%
	Trans Globe Life Insurance Inc.	2.28%
	Chunghwa Post Co., Ltd.	1.34%
	Chang Hwa Commercial Bank, Ltd. as custodian of Mega Taiwan ESG Sustainability High Dividend Equal Weight ETF Securities Investment Trust Fund account	1.11%
	The First Insurance Co., Ltd.	1.08%
	JP Morgan Chase Bank, Taipei Branch is entrusted with the custody of the Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account.	0.93%
	JP Morgan Chase Bank, Taipei Branch is entrusted with the custody of Vanguard Total International Equity Index Fund, a series of funds of Vanguard Starlight Fund	0.90%
	China General Terminal & Distribution Corporation	0.89%
	JP Morgan Chase Bank, Taipei Branch is entrusted with the custody of the Vanguard Trust Company Institutional Total International Equity Market Index Trust II Investment Account	0.47%

Note 1: Where directors or supervisors are appointed by legal entity shareholders, the names of the appointing legal entities shall be disclosed.

Note 2: Please specify names of the major shareholders of the institutional shareholders (top ten shareholders) and the ratio of shareholding. If any of the major shareholders is a legal entity, please also provide the information in the table below.

Note 3: Where an institutional shareholder is not organized as a company, the name of the shareholders and shareholding ratio that must be disclosed in accordance with the above shall be the name of the funder or donor (refer to the public announcements of the Judicial Yuan) and the funding or donation ratio; for donors who have passed away, note as "deceased."

3. Major Shareholders of Institutional Major Shareholder

March 29, 2025

Name of Institutional Shareholder (Note 1)	Major Shareholders of the Institutional Shareholder (Note 2)	Shareholding Percentage
USI Corporation	Shing Li Enterprises (Hong Kong) Limited	14.62%
	Wholegainer Company Limited's investment account under custody of Fubon Securities Co., Ltd.	9.25%
	Asia Polymer Corporation	8.53%
	Fubon Life Insurance Co., Ltd.	4.49%
	Taixing Investment Co., Ltd.	2.04%
	Lin, Hua Hsin	1.75%
	Yuexinghua Investment Co., Ltd.	1.73%
	Yu, Wen-Hsuan	1.41%
	Yu, Wen-tsung	1.41%
	Yu, Wen-Yu	1.41%
Tai Lien International Investment Co., Ltd.	UPC Technology Corporation	100.00%
China General Terminal & Distribution Corporation	China General Plastics Corporation	33.33%
	Asia Polymer Corporation	33.33%
	Taita Chemical Company, Limited	33.33%
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications	100.00%
Trans Globe Life Insurance Inc.	Chung Wei-Te Hui Co., Ltd.	100.00%
The First Insurance Co., Ltd.	Chien Ch'eng Development Co., Ltd.	6.24%
	Osta Trading Co., Ltd.	5.25%
	Shengqing Investment Co., Ltd.	3.89%
	Cai Cheng Enterprise Co., Ltd.	3.80%
	Bao-Shan Construction Co., Ltd.	3.31%
	Chien Yee Industrial Co., Ltd.	2.45%
	EZH Corporation	1.64%
	Cai Rui Enterprise Co., Ltd.	1.49%
	Zhang Yuanhao	1.38%
	Li Yang Xiujuan	1.24%

Note 1: If any of the major shareholders listed in the Table 2 above is an institutional shareholder, the name of the institutional shareholder should be specified.

Note 2: Please specify names of the major shareholders of the institutional shareholders (top ten shareholders) and the ratio of shareholding.

Note 3: Where an institutional shareholder is not organized as a company, the name of the shareholders and shareholding ratio that must be disclosed in accordance with the above shall be the name of the funder or donor (refer to the public announcements of the Judicial Yuan) and the funding or donation ratio; for donors who have passed away, note as "deceased."

Note 4: Both Table 2. and Table 3 contain data from the most recent book closure period.



4. Information on Directors

(1) Disclosure of Information on the Professional Qualifications of Directors and the Independence of Independent Directors:

Qualifications Name	Professional Qualifications and Experience (Note 1)	Independence (Note 2)	Number of other public companies in which the director also serves concurrently as an independent director
Wu, Yi-Gui	(1) Wu, Yi-Gui serves as the Chairman and Chief Executive Officer of USI and many of its affiliated companies, and has experience in the professional field of corporate operation and management and directly supervising financial managers and accounting managers. (2)Not having any of the situations set forth in Article 30 of the Company Act.	Not applicable	Not applicable
Lin, Han-Fu	(1) Lin, Han-Fu is currently the Vice Chairman of the Company and the Chairman of Taiwan VCM Corporation, and has experience in the professional field of corporate operation and management and directly supervising financial managers and accounting managers. (2)Not having any of the situations set forth in Article 30 of the Company Act.		
Wu, Pei-Ji	(1) Wu, Pei-Ji is currently the General Manager of USI Corporation, Taita Chemical Company, Ltd. and Asia Polymer Corporation, and has experience in directly supervising financial managers and accounting managers. (2)Not having any of the situations set forth in Article 30 of the Company Act.		
Liu, Han-Tai	(1) Liu, Han-Tai obtained a PhD in Chemical Engineering from an American university, is currently the Deputy General Manager of USI, and has experience in the professional field of corporate operation and management. (2)Not having any of the situations set forth in Article 30 of the Company Act.		
Wu, Hung-To	(1) Chairman: Lazy Wu Co., Ltd. (2)Not having any of the situations set forth in Article 30 of the Company Act.		

Qualifications Name	Professional Qualifications and Experience (Note 1)	Independence (Note 2)	Number of other public companies in which the director also serves concurrently as an independent director
Li, Zu-De	(1) Li, Zu-De used to serve as the Chairman of Taipei Medical University of USI and is currently the Vice Chairman of Diamond Biotechnology Investment Co., Ltd., and has the experience in the professional field of corporate operation and management. (2)Not having any of the situations set forth in Article 30 of the Company Act.	Not having any of the situations set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected or during the term of office.	0
Zheng, Ying-Bin	(1) Zheng, Ying-Bin is currently the Chairman of Long Chen Paper (China) Holding, and has experience in the professional field of corporate operation and management. (2)Not having any of the situations set forth in Article 30 of the Company Act.		0
Hsu, Chen-I	(1) Hsu, Chen-I is currently the Chairman of TTFB, and has experience in the professional field of corporate operation and management. (2) Not having any of the situations set forth in Article 30 of the Company Act.		0
Chang, Chen-Ming	(1) Formerly served as the Chief Executive Officer of United Advertising Group and the Chairman of United Advertising, Uniplan, Unimass , and Darlun , and has experience in the professional field of corporate operation and management. (2) Not having any of the situations set forth in Article 30 of the Company Act.	Ms. Chang, Chen-Ming is the spouse of the USI Corporation (referred to as "USI") Independent Director, CHEN, SHENG-TE. According to Article 3, Paragraph 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and based on the evaluation under Paragraph 4 of the same Article, the Company and Tai-Poly do not have the "specific company" relationship defined in the regulations (which would negate independence), therefore, the Independent Directors of the Company and Tai-Poly can concurrently hold positions.	1



- Note 1: Professional qualifications and experience: State the professional qualifications and experience of directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, disclose their accounting and financial background and experience. Also state whether they have any of the situations set forth in Article 30 of the Company Act.
- Note 2: State the status of independence of independent directors, including but not limited to whether they, their spouses, and relatives within second degree of kinship are serving as directors, supervisors, or employees of the company or its affiliated companies; the number of shares held and shareholding percentage by the independent directors, spouses, and relatives within second degree of kinship (or held in the names of other persons); whether the independent director is a director, supervisor, or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.

(2) Board Diversity and Independence:

(1) Board diversity:

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 goals of corporate governance, the Board of Directors shall possess the following abilities:

- (1.1) Operational judgment.
- (1.2) Ability to conduct accounting and financial analysis.
- (1.3) Business management ability.
- (1.4) Crisis management ability.
- (1.5) Knowledge of the industry.
- (1.6) An understanding of international markets.
- (1.7) Leadership skills.
- (1.8) Decision-making ability.

In addition to the eight competencies above, the Company has also 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 Company's Board of Directors currently has one female director, which does not yet reach 1/3 of the total seats. The main reason is that due to the characteristics of the industry, females with extensive experience in the industry are relatively scarce, so it is not possible to meet the 1/3 standard for Board seats in the short term. In the future, female director seats that meet the standards will be added according to legal regulations, and when selecting director candidates, consideration can be given to suitable talents from various fields to achieve the goal of director diversity. In addition, in response to the global trend of placing

greater emphasis on sustainable corporate development, the Company intends to increase the number of Board members who are familiar with and specialized in the relevant fields to enhance the Company's sustainable competitiveness and improve the functioning of the Company's Board of Directors.

(2)Board Independence:

The Company's Independent Directors have not served more than three consecutive terms. All directors are nationals, with the composition structure consisting of 4 Independent Directors at 44% and 1 Director with employee status at 11%. The age distribution of directors includes one director under 50, two directors aged 51-60, two directors aged 61-70, and four directors aged 71-80. The Company's directors do not have a spouse or relative of second degree or closer to any other directors.

(II) Information of General Managers, Deputy General Managers, Senior Managers, and Heads of Departments and Branches

March 29, 2025

Unit: Shares

Title (Note 1)	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 2)	Concurrent Positions in Other Companies	Managerial Officers Who Are Spouses or within Second Degrees of Kinship			Note
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Chief Executive Officer	Taiwan (R.O.C.)	Wu, Yi-Gui	Male	2009.09.01	0	0%	—	—	0	0%	Chairman, USI	(Note 4)	None			Note 3
Vice Chairman	Taiwan (R.O.C.)	Lin, Han-Fu	Male	2013.02.27	0	0%	145,077	0.02%	0	0%	Graduated from Dept. of Chemical Engineering of Chung Yuan Christian University. Chairman of Taiwan VCM Corporation; Deputy Manager of the Plastics Division of Formosa Plastics; Manager and Consultant of the Polypropylene Division of Formosa Plastics	(Note 5)	None			Note 9
General Manager	Taiwan (R.O.C.)	Hu, Chi-Hong	Male	2024.04.01	0	0%	0	0%	0	0%	Department of Business Administration, Fu Jen Catholic University	(Note 6)	None			Note 9
Corporate Governance Officer	Taiwan (R.O.C.)	Chen, Yung-Chih	Male	2019.05.09	0	0%	0	0%	0	0%	PhD in Law, Ludwig Maximilian University of Munich; experience provided in (Note 7)	(Note 8)	None			
General Factory Director	Taiwan (R.O.C.)	Tsai, Pei-Hong	Male	2024.01.01	0	0%	0	0%	0	0%	Department of Chemical Engineering, Tatung University	None	None			
Director, Sales & Marketing Division	Taiwan (R.O.C.)	Wu, Chien-Hsing	Male	2025.01.01	33,000	0%	2,487	0%	0	0%	Department of Journalism, Shih Hsin University	None	None			
General manager Special Assistant	Taiwan (R.O.C.)	Guo Chaoyuan	Male	2017.05.01	—	—	—	—	—	—	Department of Chemical Engineering, Chinese Culture University	None	None			Note 10
Manager, Accounting Department	Taiwan (R.O.C.)	Li, Chun-Feng	Male	2024.07.01	0	0%	0	0%	0	0%	Master's in Accounting, Suffolk University, USA	Accounting Manager: CGPC Polymer Corporation	None			
Director, Finance Department	Taiwan (R.O.C.)	Wu, Hui-Hsueh	Female	2022.03.09	0	0%	0	0%	0	0%	EMBA, National Taiwan Normal University	None	None			



- Note 1: Information regarding the general manager, deputy general manager, senior managers, managerial officers of departments and branches shall be included, whereas information regarding positions equivalent to general manager, deputy general manager or senior managers shall be disclosed regardless of job title.
- Note 2: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.
- Note 3: Where the chairman and the general manager (or equivalent highest-ranking executive) are the same individual, or are spouses or first-degree relatives, the company shall disclose the reasons, reasonableness, necessity, and corresponding measures (e.g., increasing the number of independent directors, ensuring that the majority of directors are not concurrently serving as employees or managerial officers), as applicable.
The Company appoints the same person to serve as the Chairman and CEO of the Company due to overall business operations. We rely on the Chairman's insight for business operations to manage business decisions and improve operational efficiency. More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee, Payroll Remuneration Committee, and ESG Committee to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.
- Note 4: Chairman: USI, APC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Advancement, Chong Loong Trading Co., Ltd., USI Investment Co., Ltd., CGPC Polymer Corporation, Asia Polymer Investment Corporation, Taiwan United Venture Capital Corporation, USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical
Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, AS Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, PT. Swanson Plastics Indonesia, USI Green Energy, Zhangzhou USI, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, CTCI Group, Acme Advanced Materials and USI (Xiamen), Swanson (Kun Shan)
General Manager: United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.
Chief Executive Officer: USI, APC, TTC, Acme Electronics Corporation and USI Optronics Corporation
Executive Director: Chinese National Federation of Industries
- Note 5: Chairman: TVCM
Director: CGPC (BVI), CGPC America, CGPC Polymer Corporation, CGTD, China General Terminal and Distribution Corporation, and Global Green Technology Corporation, and USI Education Foundation
- Note 6: Chairman: Continental General Plastics (Zhongshan) Co., Ltd.
Director: Taiwan VCM Corporation, Continental General Plastics (Zhongshan) Co., Ltd., CGPC (BVI), CGPC America, and CGTD
General Manager: CGPC, CGPC Consumer Products Corporation, CGPC America
- Note 7: Winkler Partners Attorney and Arbitrator, Chinese Arbitration Association

- Note 8: Independent Director: Man Zai Industrial Co., Ltd.
Directors: Continental General Plastics (Zhong Shan) Co., Ltd., Swanson Plastics Corporation (Kun Shan), Swanson Plastics Corporation (Guangzhou), Taita Chemical Company Limited (Zhong Shan), Taita Chemical Company Limited (Tianjin), Taita Chemical Company Limited (Zhang hzhou), Zhangzhou USI
Supervisor: United Polymers Corporation, Zhang hzhou USI, Chong Loong Trading Co., Ltd., USI Green Energy, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Plastics Corporation (Kunshan), Swanson Plastics Corporation (Tianjin), ASK-Swanson (Kunshan), USI Investment Co., Ltd., Asia Polymer Investment Corporation, Taiwan United Venture Capital Corporation, Taiwan United Venture Management Corporation, Delmind Inc., China General Terminal and Distribution Corporation, TVCM, Jusen (in liquidation), CÉREBRA TECHNOLOGIES CO., LTD., and Fiducia Edge Technologies Co., Ltd.
Corporate Governance Officer: USI, APC, Taita, and Acme Electronics Corporation
- Note 9: Senior Executive Vice President Mr. Hu, Chi-Hong was promoted to General Manager on April 1, 2024, and Vice Chairman Mr. Lin, Han-Fu was relieved from the position of General Manager.
- Note 10: Mr. Guo Chaoyuan, special assistant to the general manager, passed away in November 2024.

II. Remuneration Paid to Directors, Supervisors, General Manager, and Deputy General Manager during the Most Recent Fiscal Year

1. If the company falls under any of the following circumstances, it shall individually disclose the names and remuneration of its directors or supervisors. In other cases, the company may choose to either (i) disclose the names by remuneration brackets in aggregate, or (ii) individually disclose the names and remuneration of each director or supervisor (If the latter is chosen, please fill their positions, names and remuneration amounts individually. The Company shall not need to fill the table for ranges of remuneration.
 - (1) Where there has been a loss after tax in the parent company only or individual financial statements in any of the last three years, the names and remuneration of individual directors and supervisors shall be disclosed. However, this requirement does not apply if the parent company only or individual financial statements report a net income after tax in the most recent year that is sufficient to offset accumulated losses. [Note 1]
 - (2) Where the shareholding percentage of any director has been insufficient for three or more consecutive months during the most recent fiscal year, the company shall disclose the remuneration of each such director. Where the shareholding percentage of any supervisor has been insufficient for three or more consecutive months during the most recent fiscal year, the company shall disclose the remuneration of each such supervisor. [Note 2]
 - (3) Where, in any three months during the most recent fiscal year, the average ratio of shares pledged by directors or supervisors exceeds 50 percent, the company shall disclose the remuneration of each individual director or supervisor whose share pledge ratio exceeds 50 percent in each of those months. [Note 3]
 - (4) Where the total remuneration received by all directors and supervisors, as disclosed in the financial statements, exceeds two percent of the net profit after tax, and any individual director or supervisor receives remuneration exceeding NT\$15 million, the company shall disclose the remuneration of such individual director or supervisor. (Note: The aforementioned directors' and supervisors' remuneration refers to the combined total of "Directors' Remuneration" and "Supervisors' Remuneration" as disclosed in the accompanying schedule. It does not include any remuneration received in their capacity as employees.)
 - (5) Any result of evaluation made on corporate governance in the most recent year is in the last two level, or any trading method changes, any trading or marketing stops, or any evaluation is rejected by the Corporate Governance Evaluation Committee in the most recent year as of the publication date of this Annual Report as a TWSE or TPEx listed company [Note 4].
 - (6) Where the average annual salary of full-time employees not holding managerial positions is less than NT\$500,000 in a TWSE- or TPEx-listed company during the most recent fiscal year, the company shall disclose such information. [Note 5]
 - (7) Where a TWSE/TPEx listed company reports a year-over-year increase of 10% or more in net income after tax for the most recent fiscal year, but the average annual salary of full-time employees not holding supervisory positions does not increase compared to the prior year. [Note 6]



- (8) Where a TWSE/ TPEX listed company reports a year-over-year decrease of 10% or more in net income (or loss) after tax, amounting to over NT\$5 million, and the average remuneration per director (excluding any compensation received in an employee capacity) increases by 10% or more and exceeds NT\$100,000. [Note 7]
2. If the circumstance in sub-item (1) or in sub-item (5) 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: Examples: Suppose the 2020 Annual Report was prepared by the Shareholders' Meeting in 2019. The company should opt for individual disclosure of remuneration information if post-tax loss was recorded in its parent company-only or individual financial statements in any year from 2017 to 2019. However, although post-tax loss was recorded in the company's parent company-only or individual financial statements in 2017 and/or 2018, its parent company-only or individual financial statements in 2019 recorded a net income after taxes which was sufficient to cover cumulative losses; therefore, the company may choose not to disclose individual remuneration information.
- Note 2: Examples: Suppose the 2010 Annual Report was prepared by the Shareholders' Meeting in 2009. The company should opt for individual disclosure of remuneration information if its directors or supervisors were found to have insufficient shareholding percentages for three 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 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: Examples: Suppose the 2010 Annual Report was prepared by the Shareholders' Meeting in 2009. If the average 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), the company should 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 average ratio of shares pledged by the supervisors of a company exceeded 50 percent in any three months, the company should disclose the amount of remuneration paid to each supervisor for the months when the ratio of shares pledged exceeded 50 percent.
- ※ Average Monthly Pledged Share Ratio of All Directors: Total number of shares pledged by all directors / Total number of shares held by all directors (including shares held in trust where decision-making rights are retained) ; Average Monthly Pledged Share Ratio of All Supervisors: Total number of shares pledged by all supervisors / Total number of shares held by all supervisors (including shares held in trust where decision-making rights are retained).

- Note 4: Examples: Suppose the 2024 Annual Report was prepared by the Shareholders' Meeting in 2023 and the results of the corporate governance evaluation are published by April each year. If the corporate governance evaluation results of the most recent year (e.g., 2023) have not yet been published by the publication date of the annual report of TWSE/ TPEX listed companies, the company may use the most recent corporate governance evaluation results (e.g., 2022). Once the corporate governance evaluation results of the most recent year have been published, if any result is in the last two level and the remuneration was disclosed in aggregate form with names indicated in each numerical range, the company should revise the annual report immediately and upload it to the Market Observation Post System to ensure the integrity of information disclosure.
- Note 5: Examples: Suppose the 2022 Annual Report was prepared by the Shareholders' Meeting in 2021. If a TWSE/TPEX listed company prepares the annual report after the end of the most recent year (e.g. 2021), the company should be able to complete the collection of information on the average annual salary of full-time non-supervisory employees at the most recent year (2021). Thus, the company should assess whether the average is less than NT\$500,000 for the most recent year (2021) and disclose the remuneration paid to the directors and supervisors individually.
- Note 6: Example: Suppose companies preparing their 2023 annual report for the 2024 shareholders' meeting, where the net income after tax for 2023, as presented in the financial statements, increased by 10% or more compared to 2022 (including cases where a loss in 2022 turned into a profit in 2023), but the average annual salary of full-time employees not holding supervisory positions did not increase from 2022. In such cases, the company shall disclose the remuneration of each director individually. Net income after tax refers to the net income after tax reported in the most recent annual individual or separate financial statements. The definition and calculation method for full-time employees and their salaries shall be handled in accordance with the filing instructions for "Information about salary of full-time employees who are not in a managerial position" set forth in the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds and the Taipei Exchange Rules Governing Information Reporting by Companies with TPEX Listed Securities.
- Note 7: Example: Suppose companies preparing their 2023 annual reports for presentation at the 2024 annual general meeting report a decrease of more than 10% in net income (or loss) after tax for 2023 compared to 2022, and the amount of such decrease exceeds NT\$5 million (this rule applies as long as there is a qualifying decline in net income after tax, regardless of whether the company reported a profit or a loss in either year), while the average remuneration per director (excluding any compensation received in an employee capacity) increases by 10% or more and by more than NT\$100 thousand. In such cases, the individual remuneration of each director shall be disclosed. Net income (or loss) after tax refers to the net income (or loss) after tax reported in the most recent annual individual or separate financial statements.



(I) Distribution of the Remuneration of Directors, Supervisors, General Manager, and Deputy General Managers and Remuneration for Employees and Managers:

1. Remuneration of Ordinary Directors and Independent Directors (Disclosure of the Names And Remuneration Method of Individual Officers)

Unit: NT\$ thousand

Title	Name (Note 1)	Remuneration of directors								Total compensation (A+B+C+D) and ratio to net income (%) (Note 10)		Relevant remuneration received by directors who are also employees								Total compensation (A+B+C+D+E+ F+G) and ratio to net income (%)(Note 10)		Remuner ation received from investee companie s other than subsidiari es or the parent company (Note 11)
		Remuneration (A) (Note 2)		Severance pay and pension (B)		Directors' remuneration (C) (Note 3)		Business execution allowances (D)(Note 4)				Salary, bonuses, and special allowances (E) (Note 5)		Severance pay and pension (F)		Employee remuneration (G) (Note 6)						
		The Com pany	All the compan ies include d in the financia l stateme nts (Note 7)	The Compa ny	All the compan ies include d in the financia l stateme nts (Note 7)	The Compa ny	All the compan ies include d in the financia l stateme nts (Note 7)	The Compa ny	All the compan ies include d in the financia l stateme nts (Note 7)	The Compa ny	All the compan ies include d in the financia l stateme nts (Note 7)	The Compa ny	All the compan ies include d in the financia l stateme nts (Note 7)	The Compa ny	All the companie s included in the financial statement s (Note 7)	The Company		All the companies included in the financial statements (Note 7)		The Compa ny	All the companie s included in the financial statement s (Note 7)	
																Amount of cash	Amoun t of shares	Amount of cash	Amount of shares			
Chairman	Wu, Yi-Gui Representative of Union Polymer Int'l Investment Corp.	0	0	0	0	0	0	20	26	20 / 0.00	26 / 0.00	4,247	4,247	0	0	0	0	0	0	4,267 / -0.60	4,273 / -0.60	14,133
General Director	Lin, Han-Fu Representative of Union Polymer Int'l Investment Corp.	2,900	7,907	0	81	0	0	380	836	3,280 / -0.46	8,824 / -1.24	1,289	3,283	0	27	0	0	0	0	4,569 / -0.64	12,134 / -1.71	6
General Director	Wu, Pei-Ji Representative of Asia Polymer Corp.	0	0	0	0	0	0	20	20	20 / 0.00	20 / 0.00	0	0	0	0	0	0	0	0	20 / 0.00	20 / 0.00	5,833
General Director	Liu, Han-Tai Representative of Asia Polymer Corp.	0	0	0	0	0	0	20	26	20 / 0.00	26 / 0.00	0	0	0	0	0	0	0	0	20 / 0.00	26 / 0.00	10,874
General Director	Wu, Hung-To Representative of USI Investment Co., Ltd.	1,000	1,000	0	0	0	0	144	144	1,144 / -0.16	1,144 / -0.16	0	0	0	0	0	0	0	0	1,144 / -0.16	1,144 / -0.16	0
Indepen dent Director	Li, Zu-De	1,200	1,200	0	0	0	0	168	168	1,368 / -0.19	1,368 / -0.19	0	0	0	0	0	0	0	0	1,368 / -0.19	1,368 / -0.19	0
Indepen dent Director	Zheng, Ying-Bin	1,200	1,200	0	0	0	0	164	164	1,364 / -0.19	1,364 / -0.19	0	0	0	0	0	0	0	0	1,364 / -0.19	1,364 / -0.19	0

Title	Name (Note 1)	Remuneration of directors								Total compensation (A+B+C+D) and ratio to net income (%) (Note 10)		Relevant remuneration received by directors who are also employees								Total compensation (A+B+C+D+E+ F+G) and ratio to net income (%)(Note 10)		Remuner ation received from investee companie s other than subsidiari es or the parent company (Note 11)
		Remuneration (A) (Note 2)		Severance pay and pension (B)		Directors' remuneration (C) (Note 3)		Business execution allowances (D)(Note 4)				Salary, bonuses, and special allowances (E) (Note 5)		Severance pay and pension (F)		Employee remuneration (G) (Note 6)						
		The Com pany	All the compan ies include d in the financia l stateme nts (Note 7)	The Co mpany	All the compan ies include d in the financia l stateme nts (Note 7)	The Co mpany	All the compan ies include d in the financia l stateme nts (Note 7)	The Com pany	All the compan ies include d in the financia l stateme nts (Note 7)	The Compa ny	All the compan ies include d in the financia l stateme nts (Note 7)	The Compa ny	All the compan ies include d in the financia l stateme nts (Note 7)	The Com pany	All the companie s included in the financial statem ents (Note 7)	The Company		All the companies included in the financial statements (Note 7)		The Com pany	All the companie s included in the financial statem ents (Note 7)	
Indepen dent Director	Hsu, Chen-I	1,200	1,200	0	0	0	0	164	164	1,364 / -0.19	1,364 / -0.19	0	0	0	0	0	0	0	0	1,364 / -0.19	1,364 / -0.19	0
Indepen dent Director	Chang, Chen-Ming	0	0	0	0	0	0	90	90	90 / -0.01	90 / -0.01	0	0	0	0	0	0	0	0	90 / -0.01	90 / -0.01	0

Note:

- Please state the policies, systems, standards, and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment:
The remuneration of Independent Directors is paid based on the Company's Articles of Incorporation and the remuneration policies and measures and depends on the degree of participation and the value of their contribution to the Company's operations, with reference to the median level in the industry, and it shall be distributed after submitted to and approved by the Remuneration Committee and adopted by the Board of Directors. Independent Directors do not receive any other remuneration except for the fixed remuneration.
 - In addition to the information disclosed in the table above, remuneration paid to any Director who has provided his/her services (such as consulting services in a non-employee capacity for the parent company/all companies listed in the financial statements/investees) in the most recent fiscal year: Not applicable.
 - The Vice Chairman of the company used to hold the position of General Manager concurrently, and he also served as Chairman and General Manager of the subsidiary. After he resigned from the position of General Manager of the company and the subsidiary on April 1, 2024, he still performed the duties of daily operation management and supervision of the company. Therefore, the company paid him remuneration based on the degree of his participation in the operation. Due to the change of position, the original remuneration paid was changed from the item of "Part-time employees receiving related remuneration" to the item of "Director's remuneration", which increased the average remuneration of each director in 2024. The adjustment and reclassification of the above-mentioned remuneration items did not increase the overall remuneration of directors. The overall remuneration amount of directors (including part-time) of the company in 2024 was reduced compared with 2023 in both the individual and consolidated financial reports, and there was no impropriety.
- * Please list the relevant information of the Directors (non-independent general directors) and Independent Directors, respectively.

Note 1: The names of directors shall be disclosed individually. For institutional shareholders, both the name of the corporate entity and the name of its representative shall be disclosed separately. General directors and independent directors shall be listed separately, and the respective categories of remuneration shall be disclosed on an aggregated basis. Directors concurrently serving as general manager or deputy general manager shall be included in both this table and the following one.

Note 2: Remuneration received by directors in the most recent year (including salaries, job-related allowances, severance, bonuses, and rewards).

Note 3: The amount of remuneration approved by the Board of Directors and distributed to the directors in the most recent fiscal year.

Note 4: Refers to business execution-related expenses incurred by directors in the most recent fiscal year, including transportation and travel expenses, special allowances, various subsidies, housing, provision of company vehicles, and other in-kind benefits. In cases where housing, vehicles, or other means of



transportation are provided, the nature and cost of the provided assets, as well as the rent calculated at fair market value or actual rent, fuel expenses, and other payments, should be disclosed. Additionally, if a driver is provided, the related remuneration paid to the driver by the company should be noted, but it should not be included in the remuneration of the director.

- Note 5: Refers to the total remuneration received by directors who concurrently serve as employees (including general manager, deputy general manager, other managers, and employees) in the most recent fiscal year, which includes salary, position allowances, severance pay, various bonuses, incentive payments, transportation and travel expenses, special allowances, various subsidies, housing, provision of company vehicles, and other in-kind benefits. In cases where housing, vehicles, or other means of transportation are provided, the nature and cost of the provided assets, as well as the rent calculated at fair market value or actual rent, fuel expenses, and other payments, should be disclosed. Additionally, if a driver is provided, the related remuneration paid to the driver by the company should be noted, but it should not be included in the remuneration of the Director. The annual salary for drivers is NT\$1,071 thousand. The cost of acquiring the official car is NT\$2,585 thousand, and the book value at the end of 2024 is NT\$1,292 thousand, and the fuel cost is NT\$42 thousand. salary expenses recognized under IFRS 2 "Share-based Payment," including those arising from the issuance of employee stock options, restricted stock grants, and participation in cash capital increases for stock subscriptions, shall also be included in the remuneration: None.
- Note 6: For directors concurrently serving as employees (including the general manager, deputy general manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.
- Note 7: Total remuneration in the various items paid out to the Company's directors by all companies (including the Company) listed in the consolidated statement shall be disclosed.
- Note 8: The name of each director should be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the director by the company: Not applicable.
- Note 9: Total remuneration in various items paid to every director of the Company by all companies (including the Company) listed in the consolidated statement shall be disclosed. The name of the director shall also be disclosed in the respective remuneration range: Not applicable.
- Note 10: Net income after tax refers to the net income after tax for the most recent fiscal year. For companies adopting International Financial Reporting Standards (IFRS), net income after tax refers to the net income after tax reported in the most recent individual or separate financial statements.
- Note 11:
- a. This field should clearly indicate the amount of remuneration received by the Company's Directors from a reinvestment business other than a subsidiary or the parent company (if not, please fill in "none").
 - b. If a director of the Company receives remuneration from investee companies other than subsidiaries or the parent company, the amount of remuneration received by the director from investee companies other than subsidiaries or the parent company shall be combined into Column I of the table for ranges of remuneration, and this column shall be renamed as "Parent Company and All Investee Companies".
 - c. Remuneration refers to the compensation, rewards (including rewards distributed to employees, directors, and supervisors) and remuneration related to business expenses that are received by the Company's directors who serve as Directors, supervisors or managerial officers at investees other than subsidiaries or the parent company.
- * The remuneration disclosed in this table differs from the income concept under the Income Tax Act. Therefore, the purpose of this table is for information disclosure only and not for tax purposes.

2. Remuneration Paid to Supervisors: Not applicable

3. Remuneration Paid to General Manager and Deputy General Managers (Individual Disclosure of Names and Remuneration Details)

Unit: NT\$ thousand

Title	Name (Note 1)	Salary (A) (Note 2)		Severance pay and pension (B)		Bonuses and allowances, etc.(C) (Note 3)		Employees' remuneration (D) (Note 4)				Total compensation (A+B+C+D) and ratio to net income (%) (Note 8)		Remuneration received from investee companies other than subsidiaries or the parent company (Note 9)
		The Company	All the companies included in the financial statements (Note 5)	The Company	All the companies included in the financial statements (Note 5)	The Company	All the companies included in the financial statements (Note 5)	The Company		All the companies included in the financial statements (Note 5)		The Company	All the companies included in the financial statements	
								Amount of cash	Amount of shares	Amount of cash	Amount of shares			
Chief Executive Officer	Wu, Yi-Gui	3,835	3,835	0	0	412	412	0	0	0	0	4,247 / -0.60	4,247 / -0.60	14,133
Vice Chairman (Note 10)	Lin, Han-Fu	489	1,223	0	27	800	2,060	0	0	0	0	1,289 / -0.18	3,310 / -0.47	6
General Manager (Note 10)	Hu, Chi-Hong	2,685	3,208	108	108	1,727	2,053	0	0	0	0	4,520 / -0.64	5,369 / -0.76	6

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



3-2. Remuneration scale: Not applicable.

- Note 1: The names of the general manager and deputy general manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively.
- Note 2: Fill the salary, job-related allowances and severance pay received by the general manager and deputy general managers in the most recent fiscal year.
- Note 3: Refers to the total remuneration received by directors who concurrently serve as employees (including general manager, deputy general manager, other managers, and employees) in the most recent fiscal year, which includes salary, position allowances, severance pay, various bonuses, incentive payments, transportation and travel expenses, special allowances, various subsidies, housing, provision of company vehicles, and other in-kind benefits. In cases where housing, vehicles, or other means of transportation are provided, the nature and cost of the provided assets, as well as the rent calculated at fair market value or actual rent, fuel expenses, and other payments, should be disclosed. Additionally, if a driver is provided, the related remuneration paid to the driver by the company should be noted, but it should not be included in the remuneration of the Director. The annual salary for two drivers totaled NT\$1,695 thousand. The cost of acquiring the two official cars was NT\$4,911 thousand, and the book value at the end of 2024 was NT\$3,463 thousand. The rental fee for the car provided to the general manager was NT\$167 thousand, and the fuel cost was NT\$80 thousand. Salary expenses recognized under IFRS 2 "Share-based Payment," including those arising from the issuance of employee stock options, restricted stock grants, and participation in cash capital increases for stock subscriptions, shall also be included in the remuneration: None.
- Note 4: Refers to the amount of employee remuneration (including stock and cash) for the general manager and deputy general manager proposed by the Board of Directors for the most recent fiscal year. If the amount cannot be estimated, it should be calculated based on the actual distribution from the previous year, with the proposed amount for the current year disclosed accordingly. An additional disclosure should be made in Schedule 1-3. Net income after taxes refers to net income after taxes in the most recent fiscal year. For companies adopting International Financial Reporting Standards (IFRS), net income after tax refers to the net income after tax reported in the most recent individual or separate financial statements.
- Note 5: The total amount of the remuneration of all the companies (including the Company) in the consolidated report to the general manager and deputy general managers of the Company shall be disclosed.
- Note 6: The name of each general manager and deputy general manager should be disclosed in the range of remuneration corresponding to the amount 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 should be disclosed. The name of each general manager and deputy general manager should be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence.
- Note 8: Net income after taxes refers to net income after taxes in the most recent fiscal year. For companies adopting International Financial Reporting Standards (IFRS), net income after tax refers to the net income after tax reported in the most recent individual or separate financial statements.
- Note 9:
- a. This field should clearly indicate the amount of remuneration received by the Company's general manager or deputy general managers from a reinvestment business other than a subsidiary or the parent company (if not, please fill in "none").
 - b. If a general manager or deputy general manager of the Company received remuneration from investees other than subsidiaries of the Company or the parent company, the remuneration received by the general manager or deputy general manager of the Company from investees other than subsidiaries of the Company or the parent company shall be included in column E of the Remuneration Range Table and the name of the field shall be changed to "Parent Company and All Investee Companies".
 - c. Remuneration means pay, compensation (including compensation of employees, directors, and supervisors) and business expenses received by the general managers and deputy general managers serving as a director, supervisor, or manager of an investee company or parent company of the Company other than subsidiaries.

Note 10: Senior Executive Vice President Mr. Hu, Chi-Hong was promoted to General Manager on April 1, 2024, and Vice Chairman Mr. Lin, Han-Fu was relieved from the position of General Manager.

*The content of remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

4. Remuneration of the Top Five Highest-Paid Officers (Name and remuneration method disclosed individually):

Title	Name (Note 1)	Salary (A) (Note 2)		Severance pay and pension (B)		Bonuses and allowances, etc.(C) (Note 3)		Employees' remuneration (D) (Note 4)				Total compensation (A+B+C+D) and ratio to net income (%) (Note 6)		Remuneration received from investee companies other than subsidiaries or the parent company (Note 7)
		The Company	All the companies included in the financial statements (Note 5)	The Company	All the companies included in the financial statements (Note 5)	The Company	All the companies included in the financial statements (Note 5)	The Company		All the companies included in the financial statements (Note 5)		The Company	All the companies included in the financial statements	
								Amount of cash	Amount of shares	Amount of cash	Amount of shares			
Chief Executive Officer	Wu, Yi-Gui	3,835	3,835	0	0	412	412	0	0	0	0	4,247 / -0.60	4,247 / -0.60	14,133
Vice Chairman (Note 8)	Lin, Han-Fu	489	1,223	0	27	800	2,060	0	0	0	0	1,289 / -0.18	3,310 / -0.47	6
General Manager (Note 8)	Hu, Chi-Hong	2,685	3,208	108	108	1,727	2,053	0	0	0	0	4,520 / -0.64	5,369 / -0.76	6
Special Assistant to General Manager (Note 9)	Kuo, Chao-Yuan	1,937	1,937	94	94	661	661	0	0	0	0	2,692 / -0.38	2,692 / -0.38	0
General Factory Director	Tsai, Pei-Hong	1,975	1,975	108	108	917	917	0	0	0	0	3,000 / -0.42	3,000 / -0.42	0

- Note 1: The term "Top five highest paid executives" refers to the Company's managerial officers. The criteria for identifying managerial officers are based on the applicability outlined in the official document with reference number 0920001301 dated March 27, 2003, issued by the former Securities and Futures Commission of the Ministry of Finance, regarding the scope of application for the term "managerial officer." As for the principles for calculating and identifying the "top five highest remunerated," it is based on the total amount (i.e., the total of A+B+C+D) of salaries, severance pay and pensions, bonuses, special allowances, and employee remuneration received by managerial officers from all the companies included in the combined financial statements, ranked to identify the top five highest remunerated individuals. If the Director concurrently holds a previous supervisory position, this table and Table 1-1 above should be completed.
- Note 2: Fill the salary, job-related allowances, and severance pay of the top five highest-paid officers in the most recent fiscal year.
- Note 3: Refers to the total remuneration received by directors who concurrently serve as employees (including general manager, deputy general manager, other managers, and employees) in the most recent fiscal year, which includes salary, position allowances, severance pay, various bonuses, incentive payments, transportation and travel expenses, special allowances, various subsidies, housing, provision of company vehicles, and other in-kind benefits. In cases where housing, vehicles, or other means of transportation are provided, the nature and cost of the provided assets, as well as the rent calculated at fair market value or actual rent, fuel expenses, and other payments, should be disclosed. Additionally, if a driver is provided, the related remuneration paid to the driver by the company should be noted, but it should not be included in the remuneration of the Director. The annual salary for two drivers totaled NT\$1,695 thousand. The cost of acquiring the two official cars was NT\$4,911 thousand, and the book value at the end of 2024 was NT\$3,463 thousand. The rental fee for the car provided to the general manager was NT\$167 thousand, and the fuel cost was NT\$80 thousand. Salary expenses recognized under IFRS 2 "Share-based Payment," including those arising from the issuance of employee stock options, restricted stock grants, and participation in cash capital increases for stock subscriptions, shall also be included in the remuneration: None.
- Note 4: Fill in the amount of employee remuneration (including stock and cash) for the top five highest-paid officers approved by the Board of Directors in the most recent fiscal year. If the amount cannot be estimated, it should be calculated based on the actual distribution from the previous year, with the proposed amount for the current year disclosed accordingly. An additional disclosure should be made in Table 1-3.
- Note 5: The total amount of the remuneration of all the companies (including the Company) in the consolidated statement to the top five highest-paid officers of the Company shall be disclosed.
- Note 6: Net income after tax refers to the net income after tax reported in the most recent individual or separate financial statements.
- Note 7: a. This field should clearly indicate the amount of remuneration received by the Company's top five highest-paid executives from a Reinvestment Entity other than a subsidiary or the parent company (if none, please fill in "none").
b. Remuneration refers to the compensation, rewards (including rewards distributed to employees, directors, and supervisors), and business execution expenses received by the top five highest-paid executives of the Company who serve as directors, supervisors, or managerial officers at reinvestment entities or the parent company other than subsidiaries.
- Note 8: Senior Executive Vice President Mr. Hu, Chi-Hong was promoted to General Manager on April 1, 2024, and Vice Chairman Mr. Lin, Han-Fu was relieved from the position of General Manager.
- Note 9: Kuo, Chao-Yuan, special assistant to the general manager, passed away in November 2024.
- * The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

5. Remuneration Allocations to Key Management Personnel – Employee Remuneration

Unit: NT\$ thousand

	Title (Note 1)	Name (Note 1)	Amount of shares	Amount of cash	Total	Percentage of total remuneration on NIAT (%)
Managerial Officer	Chief Executive Officer	Wu, Yi-Gui	0	0	0	0
	Vice Chairman	Lin, Han-Fu (Note 5)				
	General Manager	Hu, Chi-Hong (Note 5)				
	Senior Manager	Chen, Wan-Ta (Note 6)				
	Corporate Governance Officer	Chen, Yung-Chih				
	General Factory Director	Tsai, Pei-Hong				
	Special Assistant to General Manager	Kuo, Chao-Yuan (Note 7)				
	Director, Sales & Marketing Division	Wu, Chien-Hsing				
	Manager, Accounting Department	Li, Chun-Feng Kuo, Chien-Chou (Note 6)				
	Director, Finance Department	Wu, Hui-Hsueh				

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

Note 2: Refers to the amount of employee remuneration (including stock and cash) for the managerial officers proposed by the Board of Directors for the most recent fiscal year. If the amount cannot be estimated, it should be calculated based on the actual distribution from the previous year, with the proposed amount for the current year disclosed accordingly. Net income after taxes refers to net income after taxes in the most recent fiscal year. For companies adopting International Financial Reporting Standards (IFRS), net income after tax refers to the net income after tax reported in the most recent individual or separate financial statements.

Note 3: The scope of application for the term "managerial officer" shall follow the official document with reference number 0920001301 dated March 27, 2003. Its scope of application shall be as follows: (1) General manager and equivalent roles. (2) Deputy general Manager and equivalent roles. (3) Senior managers and equivalent roles. (4) Head of the Finance Department and equivalent roles. (5) Head of the Accounting Department and equivalent roles. (6) Other personnel authorized to manage the Company's affairs and sign for approval.

Note 4: If the directors, general manager, and deputy general managers receive employee compensation (including both stock and cash), in addition to filling out Table 1-2, they must also complete this form.

Note 5: Senior Executive Vice President Mr. Hu, Chi-Hong was promoted to General Manager on April 1, 2024, and Vice Chairman Mr. Lin, Han-Fu was relieved from the position of General Manager.

Note 6: Senior Manager Chen, Wan-Ta Wanda retired on May 2, 2024, and Accounting Department Manager Mr. Kuo, Chien-Chou retired on July 1, 2024.

Note 7: Kuo, Chao-Yuan, special assistant to the general manager, passed away in November 2024.



(II) Remuneration Paid by the Company and by All Companies Included in the Consolidated Financial Statements to Directors, Supervisors, General Manager, and Deputy General Managers in the Most Recent Two Fiscal Years to After-Tax Net Profit Ratio; and Remuneration Policy, Standards, Portfolios for the Payment of the Remuneration, and Procedure for Determining Remuneration, and Their Connection with Business Performance and Future Risks

1. Analysis of Total Remuneration to Directors, Independent Directors, General Manager, and Deputy General Managers as a Percentage of Net Income After Tax:

Category \ Year	2023		2024	
	The Company	All the Companies Included in the Financial Statements	The Company	All the Companies Included in the Financial Statements
General Directors' remuneration as a percentage of NIAT (excluding those who concurrently serve as employees and receive related remuneration)	0.35	0.36	-0.63	-1.41
Independent Directors' remuneration as a percentage of NIAT (excluding those who concurrently serve as employees and receive related remuneration)	1.58	1.58	-0.59	-0.59
General Directors' remuneration as a percentage of NIAT (including those who concurrently serve as employees and receive related remuneration)	3.32	6.07	-1.41	-2.48
Independent Directors' remuneration as a percentage of NIAT (including those who concurrently serve as employees and receive related remuneration)	1.58	1.58	-0.59	-0.59
General Manager and Deputy General Manager's remuneration as a percentage of NIAT (%)	4.41	7.15	-1.42	-1.83

Note 1: If the aggregate remuneration received by all directors from all entities included in the financial statements exceeds two percent of the net income after tax, and if any individual director receives remuneration of more than NT\$15 million, the company shall disclose the remuneration of such individual director.

Note 2: Remuneration policies, standards and packages, the procedures for determining remuneration and their correlations with the Company's business performance and future risk exposure:

(1) The policy, criteria and composition for the payment of remuneration

(1.1) The remuneration of Directors shall be in accordance with the Article 30 of the Articles of Incorporation of the Company: Regardless of operating profit or loss, the directors shall be remunerated according to the degree of their participation in the operation of the Company and the value of their contributions to the Company, with reference to the domestic industry level. The remuneration shall not exceed 1% of the profit of the current year according to Article 33 of the Articles of

Incorporation of the Company. The aforesaid remuneration was determined with reference to the Company's operations' performance and the performance evaluation results of the Directors. In addition, the transportation allowances shall be paid according to the resolution of the shareholders' meeting, except that Managerial Officers who concurrently serve 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.

- (1.2) The remuneration for Managerial Officers shall be handled in accordance with the relevant human resources regulations of the Company and Article 31 of the Company's Articles of Incorporation, and must be approved by the Board of Directors. The remuneration is determined in consideration of the business performance. The business performance includes the achievement rate evaluation in terms of finance aspect (operating income, operating profits and profit before income tax), customer aspect (customer satisfaction, service quality, key market development...), product aspect (brand management, quality innovation...), talent aspect (talent cultivation, potential development...), safety aspect (zero pollution, zero emissions, zero occupational accidents, zero incidents, zero failures), and project aspect (digital transformation, energy conservation and carbon reduction, circular economy, net zero emissions...). Among them, the weight of sustainability-related indicators accounts for at least 20%, and climate-related items should account for at least 5% within the sustainability indicators. The relevant indicators are set according to the short-term, medium-term, and long-term plans of the sustainable vision and goals in the ESG report.
- (1.3) The Company's remuneration package, as defined by the Remuneration Committee, includes cash remuneration, stock options, stock dividends, retirement benefits or severance pay, allowances and other tangible incentives; the scope of the package is consistent with that of the remuneration of directors and managers as described in the Regulations Governing Information to be Published in Annual Reports of Public Companies.
- (2) The procedures for determining remuneration

In order to regularly evaluate the salaries and remuneration of directors and managers, the evaluation results of the Company's "Regulations Governing the Evaluation of the Performance of the Board of Directors" and the "Group Employee Performance Appraisal Regulations" applicable to managers and employees are used as the basis respectively.

The performance appraisal and remuneration rationality of directors and managers are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors every year, in addition to the performance achievement rate and contribution to the company, as well as the company's overall business performance, outlook of the industry, business risks, and development trends, and review the remuneration system at any time in accordance with the actual operating conditions and relevant



laws and regulations, and provide reasonable remuneration to achieve a balance between the company's sustainable operation and risk control.

- (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. 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. The State of the Company's Implementation of Corporate Governance

(I) Operations of the Board of Directors:

1. Information on directors' attendance:

A total of 5 (A) meetings were held in the most recent fiscal year (2024), and the attendance of directors at these meetings is as follows:

Title	Name	1st 2024.3.5	2nd 2024.4.16	3rd 2024.5.2	4th 2024.8.1	5th 2024.11.4	Attendance in person (B)	Number of attendances by proxy	Attendance rate (%) 【B/A】	Note
Chairman	Wu, Yi-Gui(representative of Union Polymer Int'l Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	
Vice Chairman	Lin, Han-Fu (representative of Union Polymer Int'l Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	
Director	Wu, Pei-Ji (Representative of Asia Polymer Corporation)	◎	◎	◎	◎	◎	5	0	100	
Director	Liu, Han-Tai (Representative of Asia Polymer Corporation)	◎	◎	◎	◎	◎	5	0	100	
Director	Wu, Hung-To (Representative of USI Investment Co., Ltd.)	◎	◎	◎	◎	☆	4	1	80	
Independent Director	Li, Zu-De	◎	◎	◎	◎	◎	5	0	100	
Independent Director	Zheng, Ying-Bin	◎	◎	◎	◎	◎	5	0	100	
Independent Director	Hsu, Chen-I	◎	◎	◎	◎	☆	4	1	80	
Independent Director	Chang, Chen-Ming	—	—	—	◎	◎	2	0	100	Appointed, should have attended 2 times.

Note 1: If the directors and supervisors are institutional shareholders, the names of such institutional shareholders and their representatives shall be disclosed.

Note 2:

- (1) Where a director supervisor resigns before the end of the fiscal year, the Note column shall be filled with the independent director's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Board of Directors and the actual number of meetings attended during his/her term of office.
- (2) Before the end of the fiscal year, if there are any changes in the Board of Directors or Supervisors, both the newly appointed and outgoing directors and supervisors should be listed, indicating in the note section whether the individual is a new, reappointed, or incumbent director/supervisor, as well as the date of the election. The attendance rate (%) is calculated based on the number of Board meetings held during the term of office and the actual number of meetings attended.

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

Note 4: The extraordinary general shareholders' meeting on May 28, 2024 elected Chang, Chen-Ming as an Independent Director.



2. 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 content of the proposal, opinions of independent directors and the Company's actions in response to the opinions of independent directors shall be stated:
 - 2.1 Items listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee and is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. For relevant information, please refer to the operations of the Audit Committee in this annual report.
 - 2.2 Any other Board resolutions that were opposed or have dissenting opinions or written statements from independent directors, with records or written declarations, aside from the aforementioned matters: None.
3. In regards the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the content of the proposal, reasons for recusal due to conflict of interests, and the voting participation shall be stated:

Name of Director	Content of the Proposal	Reason for Recusal	Voting Participation	Note
Wu, Yi-Gui Wu, Pei-Ji Zheng, Ying-Bin Hsu, Chen-I	Recommended the general shareholders' meeting to lift the non-compete clause for directors.	Recused directors are the subject of the proposed lifting of non-competition restriction	Did not participate in voting	2024 1 st meeting 2024.3.5
Lin, Han-Fu	Passed the appointment of Mr. Hu, Chi-Hong as General Manager.	Director Lin, Han-Fu, due to his previous position as the President of The Company, has a conflict of interest.		
Wu, Yi-Gui Lin, Han-Fu Wu, Pei-Ji	Approved donations to the USI Education Foundation.	The director who recused themselves has a conflict of interest due to serving as a director of the foundation.		

4. A TWSE/TPEX-listed company shall disclose details of its board performance evaluation, including the evaluation cycle and period, scope of evaluation, evaluation methods, and assessment content.

2024 Board of Directors performance evaluation:

Evaluation Cycle (Note 1)	Period of Evaluation (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
Once every year	January 1 to December 31, 2024	Performance evaluation of the Board of Directors:	Board of Directors Meeting Self-evaluation	I. Performance evaluation of the Board of Directors: 1. Participation in Company operations 2. Improvement of the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Election and continuous education of Directors 5. Internal control
		Performance evaluation	Board of Directors	II. Self-Evaluation by the Members of the Board of Directors



Evaluation Cycle (Note 1)	Period of Evaluation (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
		of individual director member	Meeting Self-evaluation of the members	1. Understanding of the Company's goals and tasks 2. Understanding of the Director's responsibilities 3. Participation in Company operations 4. Management and communication of the internal relations 5. Expertise and continuing education of the Directors 6. Internal control
		Performance evaluation of functional committees	Self-evaluation of the members of functional committees	III. Performance Evaluation of the Audit Committee 1. Participation in Company operations 2. Understanding of the duties of the Audit Committee. 3. Improvement of the quality of the Audit Committee's decision making. 4. Composition of the Audit Committee and selection of committee members. 5. Internal control
				IV. Performance Evaluation of the Remuneration Committee 1. Participation in Company operations 2. Understanding of the Remuneration Committee's roles and responsibilities 3. Improvement in the Remuneration Committee's decision-making quality 4. Composition and member selection of the Remuneration Committee
				V. Evaluation of the performance of the ESG Committee 1. Participation in Company operations 2. Recognizing the responsibilities of the ESG Committee 3. Improvement of the quality of the ESG Committee's decision making 4. Composition of the ESG Committee and selection of committee members

※ The results of the performance evaluation of the Board of Directors and the functional committees in 2024 were reported to the first meeting of the Board of Directors in 2025 (March 4, 2025) and were disclosed on the Company's website after the meeting.

Note 1: Fill out the evaluation cycle for the evaluation of the Board of Directors such as once every year.

Note 2: Refers to the period covered by the Board of Directors' performance evaluation, for example, evaluating the performance of the Board of Directors from January 1 to December 31, 2024.

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

Note 4: Methods of evaluations include the self-evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Note 5: The contents of the evaluation shall include at least the following items:

- (1) Performance evaluation of the Board of Directors: The evaluation shall include at least the participation in the operations of the Company, improvement of the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the Directors, and internal control.

- (2) Performance evaluation of individual director's performance: It shall at least include the knowledge about the Company's objectives and tasks, the understanding of director duties, the participation in the Company's operations, the internal relationship management and communication, directors' specialties and continuous learning, and internal control.
- (3) Performance evaluation of functional committees: It shall include the degree of participation in the Company's operations, the understanding of the functional committee's responsibilities, the quality of decision-making of the functional committee, the composition and selection of members of the functional committee, and internal control.
5. The targets for strengthening the functions of the Board of Directors in the current year and the most recent year (such as the establishment of the Audit Committee and enhancement of information transparency) and the assessment of implementation.
- 5.1. The operations of the Board of Directors of the Company are exercised in accordance with the provisions of the laws and regulations, the Articles of Incorporation, and the resolutions of the shareholders' meetings. All directors, in addition to the professional knowledge and skills necessary to perform their duties, should strive for the best shareholder interests based on the principles of loyalty and integrity.
- 5.2. 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" 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.
- 5.3. The Company implements corporate governance, safeguards the interests of the shareholders, and strengthens the functions of the Board. The Board appointed a Corporate Governance Officer on May 9, 2019 to assist the Board of Directors in its operations.
- 5.4. The Company has formed functional committees such as the Payroll Remuneration Committee in 2011, Audit Committee in 2016 and ESG Committee in 2017 and has continued to strengthen the effectiveness of these committees.
- 5.5. The Company's website and the Market Observation Post System disclose relevant information on the Company's compliance with related regulations and major resolutions of the Board of Directors to help shareholders understand the Company's development and enhance the transparency of the Company's information.
- 5.6. The Company organizes 6-hour training courses for directors per year and encourages directors to attend corporate governance-related courses. The status of continuing education for the directors of the Company in 2024 is as follows:

Title	Name	Date of Training	Organizer	Course Title	Number of Hours
Chairman	Wu, Yi-Gui	2024/07/11	Securities and Futures Institute	Digital Transformation Paving the Way for an AI-Driven Future – Case Studies on Generative AI Applications	3
		2024/10/16	Securities and Futures Institute	Carbon Credit Trading Mechanism and Carbon Management Applications	3
Vice Chairman	Lin, Han-Fu	2024/07/11	Securities and Futures Institute	Digital Transformation Paving the Way for an AI-Driven Future – Case Studies on Generative AI Applications	3
		2024/10/16	Securities and	Carbon Credit Trading Mechanism	3



Title	Name	Date of Training	Organizer	Course Title	Number of Hours
			Futures Institute	and Carbon Management Applications	
Director	Wu, Pei-Ji	2024/07/11	Securities and Futures Institute	Digital Transformation Paving the Way for an AI-Driven Future – Case Studies on Generative AI Applications	3
		2024/09/30	Taiwan Stock Exchange	Summit on Strengthening Taiwan's Capital Market	3
Director	Liu, Han-Tai	2024/07/11	Securities and Futures Institute	Digital Transformation Paving the Way for an AI-Driven Future – Case Studies on Generative AI Applications	3
		2024/10/16	Securities and Futures Institute	Carbon Credit Trading Mechanism and Carbon Management Applications	3
Director	Wu, Hung-To	2024/07/11	Securities and Futures Institute	Digital Transformation Paving the Way for an AI-Driven Future – Case Studies on Generative AI Applications	3
		2024/10/16	Securities and Futures Institute	Carbon Credit Trading Mechanism and Carbon Management Applications	3
Independent Director	Li, Zu-De	2024/10/16	Securities and Futures Institute	Carbon Credit Trading Mechanism and Carbon Management Applications	3
		2024/10/23	Taiwan Corporate Governance Association	Changing the World with Investment - The Practice of Impact Investing and SDGs	3
Independent Director	Zheng, Ying-Bin	2024/03/11	Taiwan Corporate Governance Association	International Economic Situation for 2024	3
		2024/08/12	Taiwan Corporate Governance Association	Prospects for Taiwan's Industrial Economy	3
Independent Director	Hsu, Chen-I	2024/12/02	Securities and Futures Institute	Corporate Response to Carbon Credit and Carbon Asset Management under the Global Carbon Trading Mechanism Operation	3
		2024/12/02	Securities and Futures Institute	Trends and risk management of digital technology and artificial intelligence	3
Independent Director	Chang, Chen-Ming	2024/05/08	Taiwan Corporate Governance Association	ESG-related legal issues that the Board of Directors should consider	3
		2024/07/11	Securities and Futures Institute	Digital Transformation Paving the Way for an AI-Driven Future – Case Studies on Generative AI Applications	3
Corporate Governance Officer	Chen, Yung-Chih	2024/04/30	Taiwan Corporate Sustainability Association	Sustainable Knowledge Empowerment Outreach Program (Non-Electronic Industry) to Shape the New Carbon Era with Sustainable Knowledge Promotion Event	6
		2024/09/20	Securities and Futures Institute	Seminar on Prevention of Insider Trading in 2024	3
		2024/10/07	CNAIC	2024 Taishin Net Zero Summit	3
		2024/10/16	Securities and Futures Institute	Carbon Credit Trading Mechanism and Carbon Management	3

Title	Name	Date of Training	Organizer	Course Title	Number of Hours
				Applications	
		2024/10/24	Taiwan Institute for Sustainable Energy Committee	The 38th TCCS Board Meeting and CEO Seminar	2
		2024/11/22	Securities and Futures Institute	2024 Annual Insider Equity Trading Law Compliance Briefing	3
		2024/12/25	Securities and Futures Institute	Seminar on Expanding Asset Management Footprint in Asia through the Use of Derivatives for TWSE/TPEX Listed Companies	3
Manager, Accounting Department	Li, Chun-Feng	2024/08/15	Accounting Research and Development Foundation	Strengthening the Function of Internal Control Defense and the Operational Mechanism of the Board of Directors and Analysis of Fraud Cases	6
		2024/09/12 ~ 2024/09/13	Accounting Research and Development Foundation	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
Chief Internal Auditor	Kang-Nien Chiang	2024/04/22	Internal Audit Association	Important Considerations and Impacts of IFRS S1 and S2 on Internal Control and Internal Audit	6
		2024/08/07	Internal Audit Association	How to Adjust Internal Controls to Meet New ESG Requirements	6

The number of training hours, scope of training, learning system, arrangements and information on the above-mentioned training sessions which comply with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies shall be disclosed.



(II) Operations of the Audit Committee:

1. Attendance information of the Audit Committee:

A total of 4 (A) meetings were held in the most recent fiscal year (2024). The attendance of Independent Directors is as follows:

Title	Name	Number of Attendance in Person (B)	Number of Attendances by Proxy	Attendance rate (%) (B/A) (Note 1, Note2)	Note
Independent Director	Li, Zu-De	4	0	100.00	Refer to Note 3 (1) for the professional qualifications and experience
Independent Director	Zheng, Ying-Bin	4	0	100.00	Refer to Note 3 (2) for the professional qualifications and experience
Independent Director	Hsu, Chen-I	3	1	75.00	Refer to Note 3(3) for the professional qualifications and experience
Independent Director	Chang, Chen-Ming	2	0	100.00	Refer to Note 3(4) for the professional qualifications and experience Appointed on May 2, 2024, should have attended 2 times.

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

Note 2: Before the end of the fiscal year, if there are any changes in the independent directors, both the newly appointed and outgoing independent directors should be listed, indicating in the note section whether the individual is a new, reappointed, or incumbent independent director, as well as the date of the election. The attendance rate (%) is calculated based on the number of Audit Committee meetings held during the term of office and the actual number of meetings attended.

Note 3: Professional qualifications and experience:

- (1) Li, Zu-De serves as the Chairman of the Taipei Medical University. He has experience in directly supervising financial managers and accounting managers.
- (2) Zheng, Ying-Bin is currently the Chairman of Long Chen Paper & Packaging Co., Ltd and has experience in directly supervising financial managers and accounting managers.
- (3) Hsu, Chen-I once served as the Chairman of TTFB, ZHE TAI CO., LTD, and TTFB Social Welfare Charity Foundation and is currently the Chairman of TTFB and Chengshi Investment Co., Ltd.
- (4) Chang, Chen-Ming formerly served as the Chief Executive Officer of United Advertising Group and the Chairman of United Advertising, Uniplan, Unimass, and Darlun, and has experience in the professional field of corporate operation and management.

2. Main review items of the Audit Committee:

- 2.1. Financial statements;
- 2.2. Independence evaluation and the hiring and dismissal of certifying CPAs and their compensation;
- 2.3. Accounting policies and the internal control system;
- 2.4. Review of the effectiveness of the internal control system;
- 2.5. Procedures for acquisition or disposal of assets;
- 2.6. Regulations governing the making of endorsements/guarantees;

- 2.7. Procedures for extending loans to others;
 - 2.8. Materials derivatives trading;
 - 2.9. Annual audit plan;
 - 2.10. Resignation or dismissal of heads of finance, accounting, and chief auditor;
 - 2.11. Investigation reports for complaints and malfeasance;
 - 2.12. Offering, issuance, or private placement of equity-type securities;
 - 2.13. Matters in which a director is an interested party;
 - 2.14. Other important items required by other companies or the competent authority
3. Key work items of 2024:
- 3.1. Review the annual internal audit plan; obtain reports from the internal audit department each month; inspect feedback of the management on issues discovered in internal audits; and regular communication with the Chief Internal Auditor.
 - 3.2. Review the 2023 financial reports; regular communication with the CPAs regarding audit tasks and impact of regulation changes.
 - 3.3. Prepare an independence assessment form in accordance with Article 47 of the Certified Public Accountant Act and Article 10 of The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, titled "Integrity, Objectivity, and Independence," to assess the auditor's independence, professionalism, and suitability, and to determine whether the auditor is a related party of the Company or has any business or financial interests with the Company. March 5, 2024, the 7 of the 3rd Audit Committee and the 1st Board of Directors meeting of 2024 reviewed and approved that auditors Huang, Hsiu-Chun and Chiu, Cheng-Chun from Deloitte & Touche meet the independence assessment criteria and are deemed suitable to serve as the Company's financial and tax auditors.
 - 3.4. Audit of the business report and the financial report
The Company's 2023 Business Report prepared by the Board of Directors, the financial statements (including the individual and consolidated financial statements) audited and certified by auditors Huang, Hsiu-Chun and Chiu, Cheng-Chun from Deloitte & Touche, and the earnings distribution proposal, have been reviewed by the Audit Committee in accordance with applicable laws and regulations and were found to be in compliance.
 - 3.5. Assessment of the effectiveness of the internal control system
The Company conducts an evaluation of the five key elements of the internal control system, including the control environment, risk assessment, control activities, information and communication, and monitoring. Control activities are self-assessed by each department at the operational level, and the internal control review team conducts a review. The overall assessment results indicate compliance with the internal control system's standards, and both the design and implementation of the internal control system have proven effective. The Audit Committee evaluated the effectiveness of the Company's internal control system, including policies and procedures related to financial, operational, risk management, information security, outsourcing, compliance, and other control measures. The committee also reviewed regular reports from the Group Auditing Division, external auditors, and management, including those concerning risk management and compliance. The Audit Committee concluded that the Company's risk management and internal control systems are effective. The Company has implemented the necessary control mechanisms to monitor and correct any instances of non-compliance.



4. With regard to the operations of the Audit Committee, if any of the following circumstances occur, the dates and terms of the Audit Committee meetings, contents of motions, dissenting opinions of the independent directors, qualified opinions or contents of material recommendations, Audit Committee resolutions, and the Company's handling of such resolutions shall be specified.

4.1. Items listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee Term Date	Proposal Content and Tracking	Items Specified in Article 14-5 of the Securities and Exchange Act	Objections or Expressed Reservations by Independent Directors
3rd term 7th meeting 2024/03/05	1. Proceed with guarantees/endorsements.	Yes	No
	2. Prepare the consolidated financial statements of the Company of 2023.	Yes	No
	3. 2023 profit distribution proposal.	Yes	No
	4. The relief of Board of Directors competition.	Yes	No
	5. 2024 evaluation of the independence of appointed CPAs.	Yes	No
	6. Appointment of CPAs for 2024.	Yes	No
	7. 2023 "Statement on Internal Control".	Yes	No
	Opinions of the Audit Committee: None.		
	The Company's Processing of Opinions of the Audit Committee: None.		
3rd term 8th meeting 2024/05/02	Resolution: The motions were passed unanimously by the members in attendance and filed for resolution in the board meeting.		
	1. Proposal to prepare the consolidated financial statements of the Company in the 1st quarter of 2024.	Yes	No
	2. Proposal to Change the Head of Accounting.	Yes	No
	3. Amendment of the internal control system of the Company.	Yes	No
	Opinions of the Audit Committee: None.		
	The Company's Processing of Opinions of the Audit Committee: None.		
3rd term 9th meeting 2024/08/01	Resolution: The motions were passed unanimously by the members in attendance and filed for resolution in the board meeting.		
	Proposal to prepare the consolidated financial statements of the Company in the 2nd quarter of 2024.	Yes	No
	Opinions of the Audit Committee: None.		
	The Company's Processing of Opinions of the Audit Committee: None.		
3rd term 10th meeting 2024/11/04	Resolution: The motions were passed unanimously by the members in attendance and filed for resolution in the board meeting.		
	1. Proceed with guarantees/endorsements.	Yes	No
	2. Proposal to prepare the consolidated financial statements of the Company in the 3rd quarter of 2024.	Yes	No
	3. Remuneration of CPAs for 2024.	Yes	No

Audit Committee Term Date	Proposal Content and Tracking	Items Specified in Article 14-5 of the Securities and Exchange Act	Objections or Expressed Reservations by Independent Directors
	4. Amendment of the internal control system of the Company.	Yes	No
	Opinions of the Audit Committee: None.		
	The Company's Processing of Opinions of the Audit Committee: None.		
	Resolution: The motions were passed unanimously by the members in attendance and filed for resolution in the board meeting.		

- 4.2. 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: None.
5. In regard to the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the resolutions, reasons for recusal due to conflict of interests, and voting outcomes shall be stated: None.
6. Communications between independent directors and chief internal auditor and CPAs (issues, methods and outcomes related to the Company's financial and business status should be included).
- 6.1. The internal audit on operations and various management procedures shall be processed in accordance with the annual audit plan passed in the board meeting. The internal Audit Department shall submit audit reports to each independent director for review every month and the Chief Internal Auditor shall also attend meetings of the Audit Committee (at least once a quarter) to report on the major audit findings to the independent directors. The communication focus of the meetings is as follows:

Date	Meeting/Key Communication Points	Suggestions and Results
2024/03/05	7th meeting of 3rd Audit Committee 1. Status and results of the auditing operations performed by internal auditors. 2. 2023 "Statement of the Internal Control System".	No objections
2024/05/02	8th meeting of 3rd term Audit Committee 1. Status and results of the auditing operations performed by internal auditors. 2. Amendment of the internal control system.	No objections
2024/08/01	9th meeting of 3rd Audit Committee Status and results of the auditing operations performed by internal auditors.	No objections
2024/11/04	10th meeting of the 3rd term Audit Committee (At this meeting, the independent director and the internal audit supervisor should communicate separately.) 1. Status and results of the auditing operations performed by internal auditors.	No objections



Date	Meeting/Key Communication Points	Suggestions and Results
	2. Amendment of the internal control system. 3. 2024 internal control self-assessment schedule. 4. Approved the 2025 annual audit plan.	

6.2. CPAs compiled 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 six months and report them to the Audit Committee in accordance with the Auditing Standard No. 39 "Communication with Those Charged with Governance" and the letter Tai-Cai-Zheng-Liu-Zi No. 0930105373 issued by Securities and Futures Bureau on March 11, 2004. Communication items were as follows:

Date	Meeting/Key Communication Points	Suggestions and Results
2024/03/05	7th meeting of 3rd Audit Committee Audit the implementation and conclusions of the consolidated financial statements for 2023.	No objections
2024/08/01	9th meeting of 3rd Audit Committee Review implementation and conclusions of the consolidated financial statements for the 2nd quarter of 2024.	No objections
2024/11/04	10th meeting of the 3rd term Audit Committee (At this meeting, the CPAs and chief internal auditor communicated with the Independent Directors independently.) 1. Audit the implementation and conclusions of the consolidated financial statements for the 3rd quarter of 2024. 2. 2024 financial report audit plan and key audit matters. 3. Introduction to IFRS Sustainability Disclosure Standards No. S 1 and No. S2. 4. Introduction to Auditing Standard No. 600, "Special Considerations — Audits of Group Financial Statements." 5. Introduction to the schedule for carbon fee collection.	No objections

Note:

- * Where an independent director resigns before the end of the fiscal year, the Note column shall be filled with the independent director's resignation date, whereas his/her percentage of attendance in person (%) shall 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.
- * Before the end of the fiscal year, if there are any changes in the Independent Directors, both the newly appointed and outgoing Independent Directors should be listed, indicating in the Note column whether the individual is a new, reappointed, or incumbent Independent Director, as well as the date of the election. The attendance rate (%) is calculated based on the number of Audit Committee meetings held during the term of office and the actual number of meetings attended.

(III) Implementation Status of Corporate Governance and Explanations for Any Discrepancies with the
"Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies"

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Has the company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies?	V		The Company has established its Corporate Governance Best Practice Principles and complied with the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies to promote the implementation of corporate governance, and discloses such information on its own website.	No significant deviation
II. Shareholding Structure and Shareholders' Rights				
(I) Has the company established internal operating procedures for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	V		(I) The Company has appointed specific personnel to take charge of such matters.	No significant deviation
(II) Does the company maintain a list of major shareholders who have actual control over the company and persons who have ultimate control over the major shareholders?	V		(II) The Company has maintained contact with its major shareholders and persons who have ultimate control over the major shareholders.	
(III) Has the company established and implemented risk control and firewall mechanisms among its affiliated companies?	V		(III) The Company has established and implemented a system to monitor its subsidiaries.	
(IV) Has the company formulated internal regulations that prohibit insiders of the company from trading securities using undisclosed information in the market?	V		(IV) Prevention measures against insider trading: The Company has regularly educated and advocated the existing Directors, Managerial Officers, and employees on the Procedures for Handling Material Inside Information and relevant laws and regulations. The Company has educated and advocated new Directors, Managerial Officers, and employees upon taking office. In 2024, the Company educated and advocated the existing Directors, Managerial Officers, and employees of CGPC and its	

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>subsidiaries TVCM/CGPCPOL through online courses and tests, with a total of 806 participants and a total of 810 training hours. The topics of the courses and the number of hours are as follows:</p> <p>[Online Course] Insider Trading Practical Cases and Related Legal Liabilities, 3 hours</p> <p>[Educational Testing] Employee Code of Conduct Test (Including Insider Trading Prevention), 1 hour</p> <p>Content includes: Regulations, definition, and elements of insider trading; insider trading from a corporate governance perspective; introducing Paragraph 1, Article 157 of the Securities and Exchange Act and practical cases; and scope of and handling procedures for material information.</p> <p>Course briefings and video files were uploaded to the internal learning platform for those who failed to participate in the courses.</p> <p>Directors are prohibited from trading the Company's shares during the closed period of 30 days prior to the announcement of the annual financial statements and 15 days prior to the announcement of the quarterly financial statements.</p> <p>Implementation:</p> <p>1. Company rules:</p> <p>In August 2022, the Board of Directors approved the amendment to the Company's "Corporate Governance Best Practice Principles", and in November 2022, the Board of Directors approved the amendment to the Company's "Operating Procedures and Conduct Guidelines for Integrity Management", which stipulates that in addition to the prohibition of insider trading under the Securities and Exchange Act, directors are not allowed to trade the Company's shares during the closed period of 30 days before the</p>	

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>announcement of annual financial statements and 15 days before the announcement of quarterly financial statements.</p> <p>2. Implementation of internal rules:</p> <p>(2-1) Education and training</p> <p>The test was conducted on the training management platform. Course name: [Group Employee Code of Conduct Test] - the article that directors are not allowed to trade the Company's shares during the closed period before the announcement of financial statements has been included.</p> <p>In 2024, the total number of participants in the above training was 804 and the total number of training hours was 804.</p> <p>(2-2) Notice</p> <p>Reminder before the closed period - The secretary of the Board of Directors will send a reminder notice to the directors by email 7 days prior to each closed period and inform the employees of the Stork Affair Department.</p> <p>The second reminder mechanism is implemented by the employees of the Stork Affair Department. If the directors of the Company still apply for "prior reporting" until the "financial report announcement date (i.e. the date of the board meeting)", they will be reminded of the regulation of the closed period by email again at the same time (the independent directors will be notified by the board secretary as usual); and the board secretary and the Corporate Governance Officer will be notified at the same time.</p> <p>The Company's Board of Directors meeting was held to discuss the financial statements in accordance with the above regulations, which are summarized below:</p> <p>(1) Held the Board of Directors' meeting on March 5, 2024 to discuss</p>	



Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>the financial statements of 2023. The date of the Board of Directors' meeting (March 5) was set as the announcement date of the financial statements, and 30 days before that (February 4) was set as the start date of the closed period, and the closed period for trading stocks was from February 4 to March 5, 2024. The Secretariat of the Board issued a letter on January 26, 2024 to inform the Directors that they are not allowed to trade the shares of the Company during the closed period.</p> <p>(2) Held the Board of Directors' meeting on May 2, 2024 to discuss the financial statements for the first quarter of 2024. As significant information was released on the day of the Board of Directors' meeting to announce important data from the financial statements, the date of the Board of Directors' meeting (May 2) was set as the announcement date of the financial statements. The start date of the closed period was set 15 days prior, and the closed period for trading stocks was from April 17 to May 2, 2024. The Secretariat of the Board issued an email on April 10, 2024 to inform the Directors that they are not allowed to trade the shares of the Company during the closed period.</p> <p>(3) Held the Board of Directors' meeting on August 1, 2024 to discuss the financial statements for the second quarter of 2024. As significant information was released on the day of the Board of Directors' meeting to announce important data from the financial statements, the date of the Board of Directors' meeting (August 1) was set as the announcement date of the financial statements. The start date of the closed period was set 15 days prior, and the closed period for trading stocks was from July 17 to August 1, 2024. The Secretariat of the Board issued an email on July 10, 2024 to inform the Directors that they are not allowed to trade the shares</p>	

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>of the Company during the closed period.</p> <p>(4) Held the Board of Directors' meeting on November 4, 2024 to discuss the financial statements for the third quarter of 2024. As significant information was released on the day of the Board of Directors' meeting to announce important data from the financial statements, the date of the Board of Directors' meeting (November 4) was set as the announcement date of the financial statements. The start date of the closed period was set 15 days prior, and the closed period for trading stocks was from October 20 to November 4, 2024. The Secretariat of the Board issued an email on October 14, 2024 to inform the Directors that they are not allowed to trade the shares of the Company during the closed period.</p> <p>3. As confirmed by our employees in the Stork Affair Department, no transfer of shares was reported by the directors of the Company during the closure period in 2024.</p>	
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Has the Board of Directors drawn up policies and specific targets on diversity of its members and implemented them?</p>	V		<p>1. Policy on Diversity of Board Membership</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 goals of corporate governance, the Board of Directors shall possess the following abilities:</p> <p>(1) Operational judgment.</p> <p>(2) Ability to conduct accounting and financial analysis.</p> <p>(3) Business management ability.</p> <p>(4) Crisis management ability.</p>	No significant deviation

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>(5) Knowledge of the industry. (6) An understanding of international markets. (7) Leadership skills. (8) Decision-making ability.</p> <p>In addition to the eight competencies above, the Company has also 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>The Company's Board of Directors currently has one female director, which does not yet reach 1/3 of the total seats. The main reason is that due to the characteristics of the industry, females with extensive experience in the industry are relatively scarce, so it is not possible to meet the 1/3 standard for Board seats in the short term. In the future, female director seats that meet the standards will be added according to legal regulations, and when selecting director candidates, consideration can be given to suitable talents from various fields to achieve the goal of director diversity. In addition, in response to the global trend of placing greater emphasis on sustainable corporate development, the Company intends to increase the number of Board members who are familiar with and specialized in the relevant fields to enhance the Company's sustainable competitiveness and improve the functioning of the Company's Board of Directors.</p> <p>2. Targets of Board diversity</p> <p>In order to bring in external talents to the Board of Directors and achieve the goals of diversity among the members of the Board of</p>	

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons																																		
	Yes	No	Summary																																			
			<p>Directors, the number of independent directors has been increased from 3 to 4 in the current Board, and they were elected on May 30, 2022. Mr. Hsu, Chen-I is the new independent director with the education background of Master of Business Administration, Swiss Business School. He currently is the Chairman of TTFB, and has extensive experience in business work, which is helpful to the improvement of the quality of the review of the Board of Directors on proposals. In order to achieve the goals of gender diversity among board members, The extraordinary general shareholders' meeting on May 28, 2024 elected Mrs. Chang, Chen-Ming, a female Independent Director. Ms. Chang graduated from the Department of Design at Hong Kong Polytechnic University. Chang, Chen-Ming formerly served as the Chief Executive Officer of United Advertising Group and the Chairman of United Advertising, Uniplan, Unimass , and Darlun . In academia, she has served as the Head of the Department of Commercial Design and the Graduate Institute, Chung Yuan Christian University. She is currently an Associate Professor in the Department of Commercial Design at Chung Yuan Christian University and has extensive experience in media relations and commercial design. The future goal of diversifying the board of directors is to respond to the global trend of placing greater emphasis on sustainable corporate development. The Company intends to increase the number of Board members who are familiar with and specialized in the relevant fields to enhance the Company's sustainable competitiveness and improve the functioning of the Company's Board of Directors.</p> <p>3. Implementation status of Board diversity</p> <p>For details on the diversity of Board members, refer to the table below:</p> <table><tr><th rowspan="2">Name of Director</th><th rowspan="2">Gender</th><th colspan="10">Diversified Core Competences</th></tr><tr><th>Sound business judgments</th><th>Accounting and finance</th><th>Business management</th><th>Crisis management</th><th>Knowledge of the industry</th><th>Understanding of international markets</th><th>Leadership skills</th><th>Decision-making ability</th><th>Legal</th><th>Environmental protection</th></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	Name of Director	Gender	Diversified Core Competences										Sound business judgments	Accounting and finance	Business management	Crisis management	Knowledge of the industry	Understanding of international markets	Leadership skills	Decision-making ability	Legal	Environmental protection													
Name of Director	Gender	Diversified Core Competences																																				
		Sound business judgments	Accounting and finance	Business management	Crisis management	Knowledge of the industry	Understanding of international markets	Leadership skills	Decision-making ability	Legal	Environmental protection																											

Evaluation Item	Implementation Status (Note)													Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary											
			Wu, Yi-Gui	Male	V	V	V	V	V	V	V	V		
			Lin, Han-Fu	Male	V	V	V	V	V	V	V	V		V
			Wu, Pei-Ji	Male	V		V	V	V	V	V	V		
			Liu, Han-Tai	Male	V		V	V	V	V	V	V		
			Wu, Hung-To	Male	V		V	V			V	V		
			Li, Zu-De	Male	V	V	V	V			V	V		
			Zheng, Ying-Bin	Male	V	V	V	V			V	V		V
			Hsu, Chen-I	Male	V	V	V	V			V	V		V
			Chang, Chen-Ming	Female	V		V	V		V	V	V		V
			※ The Company's Directors with employee status accounted for 11% and Independent Directors with employee status accounted for 44%.											
※ Four Directors are aged over 71~80 years old, two are aged 61~70 to 59, and one is under 51.														
※ Four Independent Directors have not served more than three consecutive terms.														
(II) Has the Company voluntarily established functional committees other than the Payroll Remuneration Committee and Audit Committee that are established in accordance with the law?	V		(II) The Company has established a Remuneration Committee and an Audit Committee, and exercises its authority in accordance with its Remuneration Committee Charter and Audit Committee Charter with positive performance. The Company has voluntarily established a Corporate Sustainability Committee which exercises its authority in accordance with the Corporate Sustainability Committee Charter with favorable performance.											
(III) 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?	V		(III)The Company has formulated rules and procedures for evaluating the performance of the Board of Directors and conducts it annually. I. Performance evaluation of the Board of Directors and of individual Board member 1.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.											

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons														
	Yes	No	Summary															
			<p>2. The Secretariat of the Board is responsible for the execution of the performance evaluation of the entire 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.</p> <p>3. The Company completed the performance evaluation in January 2025 for the evaluation period from January 1 to December 31, 2024. The below summarizes the evaluation result:</p> <p>(1) Overall performance of the Board of Directors</p> <table><tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results and additional explanation</th></tr><tr><td>Participation in Company operations</td><td>4.67</td><td rowspan="5"><p>1. The overall evaluation result of the Board of Directors shows that the average score of the five aspects is above 4.6, which is a good evaluation result.</p><p>2. The uncertainty of global inflation leaves the interest rate cut policies variable, while the international situation is still overshadowed by economic turmoil caused by geopolitical conflicts, climate change, and political struggles, posing severe challenges to the Company's operations. In the face of an increasingly complex business environment and environmental protection regulations, the Company will place greater emphasis on risk management, building operational resilience, and diversifying operations. The Company will also continue to actively reduce carbon emissions and advance green transformation to achieve sustainable corporate operations. The Board of Directors and the management will closely monitor the challenges faced by the Company, seize market opportunities, and jointly promote the Company's stable development.</p></td></tr><tr><td>Improvement of the quality of the Board of Directors' decision making</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 continuous education of directors</td><td>5.00</td></tr><tr><td>Internal control</td><td>5.00</td></tr></table>	Performance aspect	Score (Note)	Evaluation results and additional explanation	Participation in Company operations	4.67	<p>1. The overall evaluation result of the Board of Directors shows that the average score of the five aspects is above 4.6, which is a good evaluation result.</p> <p>2. The uncertainty of global inflation leaves the interest rate cut policies variable, while the international situation is still overshadowed by economic turmoil caused by geopolitical conflicts, climate change, and political struggles, posing severe challenges to the Company's operations. In the face of an increasingly complex business environment and environmental protection regulations, the Company will place greater emphasis on risk management, building operational resilience, and diversifying operations. The Company will also continue to actively reduce carbon emissions and advance green transformation to achieve sustainable corporate operations. The Board of Directors and the management will closely monitor the challenges faced by the Company, seize market opportunities, and jointly promote the Company's stable development.</p>	Improvement of the quality of the Board of Directors' decision making	5.00	Composition and structure of the Board of Directors	5.00	Election and continuous education of directors	5.00	Internal control	5.00	
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Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons																			
	Yes	No	Summary																				
			<p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>(2) Performance of individual Board member</p> <table><tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr><tr><td>Understanding of the Company's goals and tasks</td><td>4.81</td><td rowspan="6">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</td></tr><tr><td>Understanding of the Director's responsibilities</td><td>4.74</td></tr><tr><td>Participation in Company operations</td><td>4.73</td></tr><tr><td>Management and communication of the internal relations</td><td>4.78</td></tr><tr><td>Expertise and continuing education of the Directors</td><td>4.70</td></tr><tr><td>Internal control</td><td>4.74</td></tr></table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>4.The results of the performance evaluation of the entire Board of Directors and director members are reported to the Board meeting in the first quarter of 2025.</p> <p>II. Performance evaluation of the Audit Committee, Payroll Remuneration Committee and ESG Committee</p> <p>1.The Company completed the performance evaluation in January 2025 for the evaluation period from January 1 to December 31, 2024. The below summarizes the evaluation result:</p> <p>(1) Performance of the Audit Committee</p> <table><tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr></table>	Performance aspect	Score (Note)	Evaluation results	Understanding of the Company's goals and tasks	4.81	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	Understanding of the Director's responsibilities	4.74	Participation in Company operations	4.73	Management and communication of the internal relations	4.78	Expertise and continuing education of the Directors	4.70	Internal control	4.74	Performance aspect	Score (Note)	Evaluation results	
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			<table><tr><td>Degree of involvement in company operations</td><td>4.88</td><td rowspan="5">The Committee's self-evaluation result shows that the average score of the six aspects is above 4.8, which is a good evaluation result.</td></tr><tr><td>Responsibilities of the Audit Committee</td><td>4.88</td></tr><tr><td>Improving the quality of audit committee decision-making</td><td>5.00</td></tr><tr><td>Audit Committee Composition and Member Selection</td><td>5.00</td></tr><tr><td>Internal Control</td><td>5.00</td></tr></table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>(2) Performance of the Payroll Remuneration Committee</p> <table><tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr><tr><td>Participation in Company operations</td><td>4.83</td><td rowspan="4">The overall evaluation result of the Board of Directors 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>4.83</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></table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>(3) Performance of the ESG Committee</p> <table><tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr><tr><td>Participation in Company operations</td><td>4.80</td><td rowspan="2">The overall evaluation result of the Board of</td></tr><tr><td>Recognizing the responsibilities of</td><td>4.73</td></tr></table>	Degree of involvement in company operations	4.88	The Committee's self-evaluation result shows that the average score of the six aspects is above 4.8, which is a good evaluation result.	Responsibilities of the Audit Committee	4.88	Improving the quality of audit committee decision-making	5.00	Audit Committee Composition and Member Selection	5.00	Internal Control	5.00	Performance aspect	Score (Note)	Evaluation results	Participation in Company operations	4.83	The overall evaluation result of the Board of Directors 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	4.83	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	Participation in Company operations	4.80	The overall evaluation result of the Board of	Recognizing the responsibilities of	4.73	
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Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons							
	Yes	No	Summary								
(IV) Does the Company regularly evaluate the independence of CPAs?	V		<table><tr><td>the ESG Committee</td><td></td><td rowspan="3">Directors shows that the average score of the four aspects is above 4.7, which is a good evaluation result.</td></tr><tr><td>Improvement of the quality of the ESG Committee' decision making</td><td>4.87</td></tr><tr><td>Composition of the ESG Committee and selection of committee members</td><td>4.80</td></tr></table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>2. Performance evaluation of the functional committees are reported to the Board meeting in the first quarter of 2025.</p> <p>(IV) The Company’s Audit Committee assessed the independence and qualifications of the external auditors. In addition to requiring the audit team to provide an "Independence Declaration" and "Audit Quality Indicators (AQIs)," the evaluation was conducted based on the standards outlined in Note 1 and the five key dimensions of AQI indicators (including 13 sub-indicators). It was confirmed that, aside from fees related to audit and tax services, there are no other financial interests or business relationships with the Company. Furthermore, the auditor’s family members do not violate independence requirements. Based on AQI indicator information, it was confirmed that the auditors and the firm meet the required experience level and training hours, which exceed industry averages. Additionally, the firm plans to introduce innovative audit tools, expand the audit support center, and implement a cloud-based auditing platform to enhance audit quality. The evaluation results for the most recent fiscal year were discussed and approved by the Audit Committee on March 5, 2024, and were subsequently presented to the Board of Directors for approval on the same day regarding the independence and qualifications of the auditors.</p>	the ESG Committee		Directors shows that the average score of the four aspects is above 4.7, which is a good evaluation result.	Improvement of the quality of the ESG Committee' decision making	4.87	Composition of the ESG Committee and selection of committee members	4.80	
the ESG Committee		Directors shows that the average score of the four aspects is above 4.7, which is a good evaluation result.									
Improvement of the quality of the ESG Committee' decision making	4.87										
Composition of the ESG Committee and selection of committee members	4.80										

[illegible]

Evaluation Item	Implementation Status (Note)					Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons	
	Yes	No	Summary				
			<div><div>■ Professionalism</div><div>■ Quality Control</div><div>■ Independence</div><div>■ Supervision</div><div>■ Innovation ability</div></div>	<div>Yes</div> <div>Yes</div> <div>Yes</div> <div>Yes</div> <div>Yes</div>	<div>Yes</div> <div>Yes</div> <div>Yes</div> <div>Yes</div> <div>Yes</div>		
IV. Has the TWSE/TPEX listed company designated an appropriate number of qualified corporate governance personnel and appointed a corporate governance officer responsible for matters related to corporate governance (including but not limited to providing directors and supervisors with the necessary information for operation, assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, preparing minutes for Board meetings and the shareholders' meetings, etc.)?	V		IV. To protect the interests of the shareholders and strengthen the functions of the Board of Directors, the Company, following the resolution passed by the Board of Directors' meeting on May 9, 2019, appointed the legal affairs manager Chen, Yung-Chih as the Company's Corporate Governance Officer, the highest-ranking manager responsible for corporate governance affairs. Mr. Chen, Yung-Chih has more than 20 years of experience as a practicing lawyer and nearly 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, and assisting Directors in legal compliance, report to the Board the results of its review on whether the qualifications of independent directors at the time of nomination, election and during the term of office are in compliance with relevant laws and regulations, and handle matters related to director changes, etc. The focal points of implementation in 2024 are as follows: (I) Assist Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies: <div>1. The Corporate Governance Officer compiled the latest laws and regulations related to the business areas of the Company and</div>			No significant deviation	

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>corporate governance, arranged discussions at the Board meetings and provided educational information to the Board members from time to time.</p> <ol style="list-style-type: none"> Assisted Directors, upon request, to understand the regulations for which compliance is required for the execution of their business. Provided Directors with the necessary information of the Company. They are also provided with assistance for communicating and exchanging ideas with business managers. 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. Assisted the Company in arranging at least 6 hours of continuing education courses for Board members. Verified that the Company has purchased liability insurance for Directors and key persons for Board members and reported to the Board of Directors. <p>(II) Organize matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirm compliance matters of resolutions:</p> <ol style="list-style-type: none"> Produced meeting notices and agenda for the Board of Directors; reminded Directors to recuse themselves in advance for discussions on issues that require their recusal due to conflicts of interests; produced meeting minutes within the statutory time limit. Registered the date of the shareholders' meeting in advance according to the law and prepared the meeting notice, handbook, and meeting minutes within the statutory time limit. Confirm that the organization, resolution procedures, and meeting 	

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>minutes of the Board of Directors and shareholders' meeting meet related regulations and the Corporate Governance Best Practice Principles.</p> <p>4. Handle matters related to changes in registration involving the Board of Directors and shareholders' meetings.</p> <p>(III) Confirmation of the qualifications of independent directors and handling of matters related to the change of directors:</p> <p>1. Confirmation of the qualifications of independent directors at the time of nomination and election and during the term of office comply with relevant laws and regulations, and to report the results of the examination to the Board of Directors.</p> <p>2. Handle related matters in accordance with the law regarding directors' changes.</p> <p>(IV) Maintain relations with investors:</p> <p>The Company's website is updated from time to time to keep investors abreast of the Company's financial, business, and corporate governance information in order to protect shareholders' rights and interests.</p> <p>Pursuit of study for directors in 2024:</p> <p>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.</p> <p>The Corporate Governance Officer shall receive at least 12 hours of continuing education each year, except for at least 18 hours within one year for the first term commencing from the date of his/her appointment.</p> <p>In 2024, Chen, Yung-Chih, Corporate Governance Officer of the Company, had completed 23 hours of continuing education. The contents of the courses are as follows:</p>	

Evaluation Item	Implementation Status (Note)							Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons	
	Yes	No	Summary						
				Date of Training	Organizer	Course Title	Number of Hours	Total Training Hours during the Year	
				2024/04/30	Taiwan Corporate Sustainability Association	Sustainable Knowledge Empowerment Outreach Program (Non-Electronic Industry) to Shape the New Carbon Era with Sustainable Knowledge Promotion Event	6	23	
				2024/09/20	Securities and Futures Institute	Seminar on Prevention of Insider Trading in 2024	3		
				2024/10/07	CNAIC	2024 Taishin Net Zero Summit	3		
				2024/10/16	Securities and Futures Institute	Carbon Credit Trading Mechanism and Carbon Management Applications	3		
				2024/10/24	Taiwan Institute for Sustainable Energy Committee	The 38th TCCS Board Meeting and CEO Seminar	2		
				2024/11/22	Securities and Futures Institute	2024 Annual Insider Equity Trading Law Compliance Briefing	3		
				2024/12/25	Securities and Futures Institute	Seminar on Expanding Asset Management Footprint in Asia through the Use of Derivatives for TWSE/TPEX Listed Companies	3		
V. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and a stakeholders' section been established in the Company's website and are major corporate social responsibility topics that the stakeholders are concerned with addressed appropriately by the Company?	V		The Company has set up a stakeholders' section under the sustainable development section on its website, which features contact information as channels of communication. We have also assigned dedicated personnel to take charge of the collection and disclosure of Company information and implemented a spokesperson system. When necessary, communication can be performed through interviews, telephone calls, or dedicated mailboxes. Every year, the details of communication with all stakeholders are reported to the Board of Directors. The channel of communication with stakeholders, issues of concern, and responses in 2023 were submitted to the Board of Directors on May 2, 2024. (Disclosure on ESG's website: https://www.cgpc.com.tw/ESG/tw/vision.aspx 、 https://www.cgpc.com.tw/ESG/tw/issue-SDGs.aspx)						No significant deviation
VI. Has the company commissioned a professional shareholder services agency to handle		V	The Company takes charge of its own stockholder affairs and handles matters related to shareholders' meetings in accordance with the law.						The Company handles its own shares-related

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
shareholders' meetings and other relevant affairs?				affairs to ensure quality and efficiency.
VII. Information disclosure				No significant deviation
(I) Has the company established a website to disclose information on financial operations and corporate governance?	V		(I) The Company has set up a website and regularly discloses company information. https://www.cgpc.com.tw/zh-tw/dirServices/frmServices.aspx	
(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)?	V		(II) The Company has appointed specific personnel to take charge of the collection and disclosure of company information and has implemented a spokesperson system.	
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline?	V		(III) The Company has not yet published and reported the annual financial report within two months after the end of a fiscal year, but we have published and reported the quarterly financial reports, monthly revenue, and information on endorsements and guarantees 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, stakeholder 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	V		The Company compiles the "ESG Report" each year to disclose information on employee rights, employee care, investor relations, supplier relations, stakeholder rights, Directors' training records, the implementation of risk management policies and risk evaluation measures, and the implementation of customer policies. The 2024 ESG Report shall be completed before August 30 and disclosed at the website of: (https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx) (https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx) and corporate governance of M.O.P.S:	No significant deviation

Evaluation Item	Implementation Status (Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
liability insurance for its directors and supervisors)?			(https://mops.twse.com.tw/mops/web/t100sb11)	
<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 blank if the company was not evaluated):</p> <p>Completed improvements:</p> <p>(I) The Company's Board of Directors consists of eight male members and one female member.</p> <p>(II) Report on sustainability to the Board of Directors for approval.</p> <p>(III) Disclosure of greenhouse gas reduction management policy, including reduction goals, promotion measures, and achievement status.</p> <p>(IV) The policy for disclosing the linkage between senior managerial officers' salaries and remuneration and ESG-related performance evaluations.</p> <p>Items prioritized for improvement:</p> <p>(I) Formulate specific measures to enhance corporate value and report to the Board of Directors.</p> <p>(II) Conduct employee satisfaction surveys, disclose the implementation status, and improvement plans.</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 Member Nomination Committee, the Composition and Operations of the Committee Shall Be Disclosed:

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

1. Information Regarding the Members of the Payroll Remuneration Committee:

December 31, 2024

Qualifications (Note 1) Title Name		Professional Qualifications and Experience (Note 2)	Status of independence (Note 3)	Number of publicly listed companies in which the member concurrently serves as a remuneration committee member
Independent Director (Convener)	Zheng, Ying-Bin	Zheng, Ying-Bin is currently the Chairman of Long Chen Paper (China) Holding, and has experience in the professional field of corporate operation and management.	Not having any of the situations set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected or during the term of office.	0
Independent Director	Li, Zu-De	Li, Zu-De used to serve as the Chairman of Taipei Medical University of USI and is currently the Vice Chairman of Diamond Biotechnology Investment Co., Ltd., and has the experience in the professional field of corporate operation and management.		0
Independent Director	Hsu, Chen-I	Hsu, Chen-I is currently the Chairman of TTFB, and has experience in the professional field of corporate operation and management.		0

Note 1: Please provide specific details in the table regarding the work experience, professional qualifications, experience, and independence of each member of the Payroll Remuneration Committee. If the member is an independent director, a note may be included indicating that relevant information can be found in Page OO, Table 1 "Information on Directors and Supervisors (1)." For identity classification, please indicate whether the individual is an independent director or other (if the individual is the convener, please indicate as such).

Note 2: Professional qualifications and experience: Specify the qualifications and experience of each member of the Payroll Remuneration Committee.

- Note 3: Status of independence: Specify the status of independence of the members of the Payroll Remuneration Committee, including but not limited to whether they, their spouses, and relatives within second degree of kinship are serving as the directors, supervisors, or employees of the Company or its affiliated companies; the number of shares held and shareholding percentage by the members, spouses, and relatives within second degree of kinship (or held in the names of other persons); whether the member is a Director, Supervisor, or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.
- Note 4: For disclosure methods, please refer to the best practice examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange Corporation.

2. Responsibilities:

The Committee shall diligently and faithfully perform the following duties with the care of a good administrator, and submit its recommendations to the Board of Directors for discussion:

- (1) Periodically review the Committee Charter and propose amendments when necessary.
- (2) Formulate and regularly review the policy for performance evaluation and remuneration of the Company's directors and managers, Systems, standards, and structure.
- (3) Regularly evaluate and set the salaries and remuneration of the Company's directors and managers.

Three meetings were held this year, and the focus of work is summarized as follows:

- (1) Review the remuneration of directors and managers: The reasonableness of the remuneration of directors and managers shall be assessed based on the remuneration policy, system, standard and structure and performance evaluation results, and with reference to the median level of compensation in the same industry, the time invested by the individual, the responsibilities undertaken, the achievement of personal goals, the remuneration of persons in similar positions, the achievement of the company's short-term and long-term performance goals, the company's financial status and other factors.
- (2) Review the appropriateness of relevant regulations, including the organizational charter of the Remuneration Committee, the remuneration methods for directors and managers, the performance evaluation methods for the board of directors, and the performance evaluation methods for managers.
- (3) Compare the market remuneration of directors and managers.
- (4) Review of the Remuneration Committee's self-assessment of performance evaluation results.
- (5) Annual work plan.



3. Operations of the Payroll Remuneration Committee:

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

(2) The term of office for this committee: Terms of office: June 2, 2022 to May 29, 2025. The Remuneration Committee convened three (3) meetings (A) in the most recent year. The qualifications and attendance of members are as follows:

Title	Name	Number of attendance in person (B)	Number of attendances by proxy	Attendance rate (%) (B/A) (Note)	Note
Convener	Zheng, Ying-Bin	3	0	100%	
Member	Li, Zu-De	3	0	100%	
Member	Hsu, Chen-I	2	1	67%	

Note:

- Where a member of the Remuneration Committee resigns before the end of the fiscal year, the Remark column shall be filled with the member's resignation date, whereas his/her rate of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.
- Before the end of the fiscal year, if there are any changes in the Remuneration Committee, both the newly appointed and outgoing members should be listed, indicating in the note section whether the individual is a new, reappointed, or incumbent member, as well as the date of the election. The attendance rate (%) is calculated based on the number of Remuneration Committee meetings held during the term of office and the actual number of meetings attended.

Other matters to be noted:

- If the Board of Directors rejects or amends the suggestions of the Payroll Remuneration Committee, state the date and session of the Board Meeting, the content of the proposal, the Board's resolution, and the way the Payroll Remuneration Committee's opinions were handled (describe the differences and reasons, if any, should the Board of Directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): Not applicable.

II. For decisions of the Payroll Remuneration Committee, if a member opposes a resolution the Remuneration Committee has adopted or has reservations with a written record or a statement, specify the date and session of the meeting, the content of the proposal, opinions of all the members, and how the opinions were handled:

(1) Operations of the Payroll Remuneration Committee information

Payroll Remuneration Committee	Proposal Content and Tracking	Objections or Reservations Expressed by Members
5th meeting of the 6th term 2024.03.05	1. The Company's 2023 distribution of remuneration for directors and employees.	None.
	2. Review of the Company's annual special bonus for managers for the year 2023.	None.
	3. Review of the Company's remuneration and performance appraisal system for directors and managers.	None.
	Remuneration Committee Opinion: None.	
	Result of the resolution of the Remuneration Committee: They were passed by the members in attendance and filed in the board meeting.	
	The Company's handling of the remuneration committee's opinion: All directors present agreed to approve.	
7th meeting of the 5th term 2024.08.01	Annual salary adjustment of the Company.	None.
	Remuneration Committee Opinion: None.	
	Result of the resolution of the Remuneration Committee: They were passed by the members in attendance.	
	The Company's handling of the remuneration committee's opinion: Implement the relevant operations according to the results of the resolution.	
8th meeting of the 5th term 2024.11.04	1. Review the "Remuneration Committee Charter" of the Company.	None.
	2. Setting up the 2025 work plan of the Committee.	None.
	Remuneration Committee Opinion: None.	
	Result of the resolution of the Remuneration Committee: They were passed by the members in attendance.	
	The Company's handling of the remuneration committee's opinion: Implement the relevant operations according to the results of the resolution.	

(2) In the most recent year, the Company's Board of Directors neither rejected nor amended the suggestions of the Payroll Remuneration Committee.

(3) In the most recent year, there were no decisions of the Company's Payroll Remuneration Committee that had objections or reservations with recorded or written statements from its members.

4. Information Regarding the Members and Operations of the Member Nomination Committee: Not applicable.

(V) Implementation Status of Sustainable Development and Explanations for Any Discrepancies with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
I. Has the Company established and promoted a sustainable development governance structure and set up a dedicated (or part-time) unit for the promotion of sustainable development, and has the Board of Directors authorized the senior managers to handle relevant issues and does the Board of Directors supervise the state of affairs with respect to the preceding?	V		<p>1. Governance structure of the ESG Committee</p> <p>On March 9, 2017, The Company established the Corporate Social Responsibility Committee and formulated the "Corporate Social Responsibility Committee Organizational Regulations" in accordance with Article 23-3 of the Company's Articles of Incorporation and Article 26 of the Corporate Governance Best Practice Principles for compliance. On November 9 of the same year, to strengthen corporate governance, the Corporate Social Responsibility Committee was elevated to a functional committee under the Board of Directors.</p> <p>On March 9, 2022, the Corporate Social Responsibility Committee was renamed as the ESG Committee, and the name of the Corporate Social Responsibility Committee Organizational Regulations was changed to the Sustainable Development Committee Charter. The Committee is composed of the Chairman, the President, and at least two Independent Directors. The chairperson is an Independent Director, and the deputy chairperson is the President.</p> <p>The Committee established three work groups: "Corporate Governance", "Environmental Protection", and "Social Relationship", and appointed a project secretary. The members of each working group are composed of task forces formed by representatives from relevant Departments, responsible for promoting ESG-related work. The project secretary is responsible for integrating the annual plans and execution results consolidated by various working groups and reporting them to the Committee.</p> <p>2. Main duties of the ESG Committee are as follows:</p> <p>The ESG Committee is the highest-level decision-making unit for sustainable development within the Company, chaired by an Independent Director and composed of several senior executives from different fields. Main duties are as follows:</p> <p>(1) Determine the sustainable development policy, supervise sustainable development strategies, the implementation of the annual plan and project plans, and evaluate the implementation, as well as review and approve the sustainable development report.</p>	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			<p>(2) Reporting on the implementation of sustainable development activities to the Board of Directors each year.</p> <p>(3) Other matters to be conducted by the committees per Board resolution.</p> <p>(4) Operational mechanism.</p> <p>3. Regularly report to the ESG Committee.</p> <p>The Committee shall report on the implementation of sustainable development activities to the Board of Directors at least twice a year. In 2024, three meetings were convened on March 5, May 2, and August 1, during which the annual core stakeholders' issues of concern, communication channels, and actual implementation status were reported to the Board of Directors. The content of the proposal included:</p> <p>(1) The status of the greenhouse gas inventory and assurance of implementation.</p> <p>(2) Results of the Stakeholder Meeting, including the identity of stakeholders, issues of concern, communication channels and response methods.</p> <p>(3) Implementation results of sustainable development and future work plans.</p> <p>(4) Progress and planning of the implementation of the ESG report.</p> <p>(5) Appoint at least two Independent Directors as members of the ESG Committee.</p> <p>The related proposals, after being reviewed and approved by the ESG Committee, were reported to the Board of Directors.</p> <p>4. Board of Directors supervision</p> <p>The Board of Directors supervises and reviews the management, strategy, and goal-setting across the governance, environmental, and social dimensions, monitors progress and performance, and reviews and approves the sustainability report, providing strategic guidance and direction for key issues.</p> <p>Please refer to the webpage:</p> <p>1. ESG Report: https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx</p> <p>2. ESG Committee Minutes: https://www.cgpc.com.tw/ESG/tw/vision.aspx</p>	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
II. Has the company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies? (Note 2)	V		<p>The disclosure period of the Company is from January 1, 2024, to December 31, 2024. The risk assessment boundary is primarily centered on the Company, and the scope includes subsidiaries in the consolidated financial statements.</p> <p>To ensure stable operation and sustainable development, the Company's Audit Committee and the Board of Directors of CGPC passed the Risk Management Policy and Procedures in December 2020. The Risk Management Policy and Procedures consist of risk management policy, organization of risk management, risk management process, risk management category, and mechanism, effectively controlling the risks arising from business activities.</p> <p>In accordance with the relevant laws and regulations of the competent authorities, formulate the operating standards of each risk management unit, according to which the daily operation of risk control is conducted, and keep abreast of the development of international and domestic risk management systems. At present, specific issues or important risks are evaluated and countermeasure strategies are formulated by each executive and responsible unit. The Auditing Division regularly tracks the results of the countermeasure plans and reports them in the internal control self-inspection meeting for timely correction and improvement in order to implement the PDCA cycle to enhance risk management operations to protect the interests of the Company, employees, shareholders and stakeholders.</p> <p>At least once a year, the Company report to the Audit Committee and the Board of Directors on our risk management operations for the current year, such as production and sales strategies and operational risks, financial risks, risks of disasters and accidents, climate change and environmental risks.</p> <p>For details, please refer to: Annual Report: Chapter 7, VI, Risk Analysis and Assessment (14) Responding to environmental, social, and corporate governance risks or Website: ESG Report: https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx Risk and Intellectual Property Management: https://www.cgpc.com.tw/ESG/tw/risk-management.aspx</p>	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
III. Environmental Issues (I) Has the company established an appropriate environmental	V		(I) The Company has established comprehensive environmental management and regulation	Equivalent to the Sustainable Development Best

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
<p>management system based on the characteristics of the industry to which it belongs?</p> <p>(II) Is the company committed to improving the efficiency of utilizing various resources and using recycled materials with low impacts on the environment?</p>	V		<p>systems, complying with the regulations such as the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, and Toxic and Concerned Chemical Substances Management Regulations, which are jointly implemented and promoted by the Labor Safety Office, Environmental Protection Sector, and related departments.</p> <p>Both CGPC Toufen Plant and its subsidiary Linyuen Plant have obtained the ISO 14001 environmental management system certification to provide a good environmental protection structure, reduce the impact of accidents on the environment, and comply with laws and regulations.</p> <p>Greenhouse gas inventory is carried out every year according to ISO14064-1 standards to track the effectiveness of emission reduction and publicly disclose it in the ESG Report and on the Company's website.</p> <p>Please refer to the official website: System and Product Validation/Registration Record https://www.cgpc.com.tw/zh-tw/dirProduct/firmProduct.aspx</p> <p>ESG Report Download: https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx</p> <p>ISO 14001 Environmental Management System Certification: https://www.cgpc.com.tw/PDF/Product/ISO%2014001;2015_Certificate.pdf</p> <p>2023 Year Greenhouse Gas Emissions Information: https://www.cgpc.com.tw/PDF/Product/ISO14064-1.pdf</p> <p>(II)</p> <p>CGPC continues to track international trends and follow national policies and regulations to conduct dynamic reviews, with action plans being developed by the plant. To effectively manage energy performance and continuously improve it, we encourage the establishment of the ISO 50001 energy management system at the plant and continue energy conservation and carbon reduction actions. Additionally, we promote a circular economy and resource integration to reduce environmental impact. In green manufacturing, we aim to minimize unnecessary waste, hoping to exert influence and further reduce environmental impact.</p> <p>■ Implementation status:</p> <p>The Company actively promotes various energy reduction measures. Regarding the manufacturing process, we use big data and artificial intelligence to find the optimum</p>	Practice Principles for TWSE/TPEX Listed Companies

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons								
	Yes	No	Summary									
			<p>efficiency and select high-energy efficiency equipment to replace the old ones. We also reduce the product's energy consumption, install renewable energy, and plan procurements to optimize the efficiency of energy use. In 2024, the CGPC Toufen Plant, TVCM Linyuan Plant, and CGPCPOL Linyuan Plant all achieved their electricity saving rate targets.</p> <p>■ Actual achievements of electricity conservation:</p> <table><tr><th>Item</th><th>Electricity Conservation (Goals: 1%) in 2024</th></tr><tr><td>CGPC (Toufen Plant)</td><td>2.66%</td></tr><tr><td>TVCM (Linyuan Plant)</td><td>2.98%</td></tr><tr><td>CGPCPOL (Linyuan Plant)</td><td>1.94%</td></tr></table> <p>Note 1: The source of the information is the Bureau of Energy's annual energy users' energy conservation audit system registration form.</p> <p>Note 2: For more detailed information on other energy conservation and carbon reduction efforts, please refer to: VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: (III) Implementation of Energy Conservation and Carbon Reduction.</p> <p>■ Recycling Instructions:</p> <p>The Company attaches great importance to resource use efficiency, seeks waste reduction and develops recycling technologies, and reduces the negative impact of business activities on the environment. In the upstream and downstream of the value chain, we work together to recycle and share packing materials and actively implement recycling of recycled materials.</p> <p>(1) Circular economy (internal circulation): pure water recovery and reuse, conversion of surplus materials, renewable energy, recovery, and reuse of waste heat and condensed water, waste reduction...etc.</p> <p>(2) Circular economy (external circulation): cartons, paper bags, PE bags, equipment replacement... and other work.</p>	Item	Electricity Conservation (Goals: 1%) in 2024	CGPC (Toufen Plant)	2.66%	TVCM (Linyuan Plant)	2.98%	CGPCPOL (Linyuan Plant)	1.94%	
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	Yes	No	Summary	
(III)Has the company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to climate-related issues?	V		<p>(3) The Company's construction products in 2024 achieved a recycling rate of 2,367 tons, accounting for 14.5% of the pipe production.</p> <p>■ GRS verification has been obtained :</p> <p>In response to the trend of net zero carbon emission, brand manufacturers have proposed the use of recycled materials policy materials in their products, and the Company obtained GRS certificates on December 29, 2022, and December 29, 2023, respectively. Currently, TPU and TPO recycled material products (brand requirements first) are certified, other products could be added to annual certification subsequently, and It will be helpful for the business to win orders for recycled materials products. (GRS certificate link: https://www.cgpc.com.tw/PDF/Product/GRS%204.0-Certificate.pdf)</p> <p>■ Others:</p> <p>Patent projects up to 2014:</p> <ol style="list-style-type: none"> (1) Fully recyclable synthetic leather structure (M630391) (2) Slow warming leather structure (M631078) (3) Leather structure with anti-scratch and anti-fouling functions: New type No. M636680. (4) Anti-viral coating structure: New type No. M630340. (5) Antibacterial and mold-resistant layer structure (M645877) (6) Application of Translucent Layer Structure and Its Luminescent Decorations (M657916) <p>(For certificates, please refer to the official website: https://www.cgpc.com.tw/zh-tw/dirProduct/firmProduct.aspx)</p> <p>(III) CGPC uses the ESG Committee under the Board of Directors as the highest governing body for climate management, chaired by an Independent Director. Each year, the implementation, planning, and actual performance related to climate change are reported, and reports are made to the Board of Directors. The Company uses the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify risks and opportunities related to climate, evaluate risks and opportunities in different departments,</p>	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(IV) Has the company calculated its GHG emissions, water consumption, and total waste weight in the past two years, and formulated policies for reductions of GHG, and water consumption, or other waste management?	V		<p>assess financial impacts, and set response plans. It plans to restart a comprehensive evaluation every 3 years and review updates annually.</p> <p>In 2023, a questionnaire survey was conducted among the ESG Committee and senior unit executives to assess the relevance and timing of each risk to the company's operations, as well as the development and implementability of each opportunity. 21 questionnaires were returned, and after statistical analysis by the team, 12 significant climate issues were identified (2 physical risks, 4 transformation risks, and 6 opportunity issues). Its evaluation of potential financial impacts and formulation of response strategies and management mechanisms grasp the possible impacts of climate change in various aspects, minimize the possible operational impacts of extreme weather, and establish a resilient climate change culture. 2024 TCFD continued to use the material climate issues identification results of 2023 and conducted an annual information update.</p> <p>The evaluation of climate change-related risks and opportunities, as well as response measures for the CGPC combined subsidiaries, can be found in the Annual Report: II, VIII, Implementation Status of Climate Related Information or the 2024 Sustainability Report. The website is as follows:</p> <p>https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx</p> <p>(IV)</p> <p>To effectively manage the greenhouse gas emissions at each plant of CGPC, an annual greenhouse gas inventory operation is conducted. Starting from 2023, the scope of the inventory includes subsidiaries of CGPC's consolidated financial statements, achieving 100% coverage. Among them, CGPC Toufen Plant and TVCM Linyuan Plant are considered emission sources required to inventory, register, and verify greenhouse gas emissions according to the "Climate Change Response Act." Therefore, relevant operations are conducted in accordance with the "Greenhouse Gas Emission Inventory Registration and Verification Management Measures" of the Ministry of Environment, and inventory data is regularly verified by an impartial third-party verification agency. CGPC, CGPCPOL, and TVCM have passed ISO 50001 certification.</p> <p>■ Carbon Reduction Pathway Planning</p>	

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			<p>Note 1: Before 2022, the scope of greenhouse gas inventory includes CGPC (Toufen Plant), Taipei Office, Taiwan VCM Corporation (Linyuan Plant), Taipei Office, China General Terminal and Distribution Corporation, and CGPCPOL (Linyuan Plant).</p> <p>Note 2: Starting from 2023, the scope of the inventory includes the individual and combined financial report subsidiaries of the Company.</p> <p>Note 3: Starting from 2024, if there are no major operational changes at the inventory locations, and the cumulative carbon emissions at the relevant locations do not exceed 5% of the total emissions, the emission data from the first year (2023) will be directly used for calculation. The applicable locations include the CGPC and TVCM Taipei offices, Grand Pacific Green Technology Co., Ltd., CGPC America Corporation, Continental General Plastics (Zhongshan) Co., Ltd., and CGPC (BVI) Holding Co., Ltd.</p> <p>Note 4: The greenhouse gas inventory includes: CO₂e、CH₄、N₂O、HFCs. Scope 1: Major emission sources include natural gas, steam coal, gasoline, and diesel. Scope 2: Includes power and steam purchased from external sources.</p> <p>Note 5: The Carbon Reduction Pathway Planning does not include Scope 3.</p> <p>Note 6: The greenhouse gas emissions of CGPC (Toufen Plant) have been checked in accordance with ISO 14064-1:2018 since 2022 and are expected to be confirmed by a third party.</p>																																

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			<p>Note 7: Since 2021, the greenhouse gas emissions of TVCM (Linyuan Plant) and CGPCPOL (Linyuan Plant) have been inventoried according to ISO 14064-1:2018 and confirmed by a third-party agency.</p> <p>Note 8: TVCM and CGPCPOL's 2023 GHG emissions were originally based on their own inventories, but the data was revised according to the third-party verification statement of the current year.</p> <p>Note 9: TVCM's 、CGPCPOL has obtained the 2024 verification report opinion letter. CGPC's 2024 greenhouse gas inventory data are self-compiled figures, which will be disclosed in the 2024 ESG Report and simultaneously updated on the company website (https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx).</p> <p>Note 10: Correction note for data for the years 2023 and 2024: Adjustments due to rounding in cumulative calculations.</p> <p>■ Greenhouse gas emissions</p> <table><tr><th colspan="4">(Combined subsidiaries) Volume of greenhouse gas emission Unit: 10,000 tons of CO₂e</th></tr><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th></tr><tr><td>2022</td><td>16.03</td><td>17.66</td><td>142.15</td></tr><tr><td>2023</td><td>15.13</td><td>16.83</td><td>139.49</td></tr><tr><td>2024</td><td>13.63</td><td>14.65</td><td>219.30</td></tr></table> <p>Note 1: Please refer to: The State of the Company's Implementation of Corporate Governance (V) 3. Environmental Issues, Item (4) - Carbon Reduction Pathway Planning Footnote.</p> <p>Note 2: Scope 3 of the Company covers nine items. Items covered: Purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, processing of sold products, and use of sold products.</p> <p>Note 3: Correction note for data for the years 2023 and 2024: Adjustments due to rounding in cumulative calculations.</p> <p>■ The plan for the greenhouse gas inventory and confirmation organized by ISO 14064-1 is as follows:</p>	(Combined subsidiaries) Volume of greenhouse gas emission Unit: 10,000 tons of CO ₂ e				Year	Scope 1	Scope 2	Scope 3	2022	16.03	17.66	142.15	2023	15.13	16.83	139.49	2024	13.63	14.65	219.30	
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			Company		CGPC		TVCM	CGPCPOL																															
Inventory	Inventory Scope	PVC resin PVC leather CSM7430F04A 0200 PVC film/sheet CFBBYMS10 000 TPE ammonia-based products: CTJG2600000 0000	Hydrochloric acid Liquid caustic soda Drift ice Water Pipes	PVC resin, 12% drift ice, 32% hydrochloric acid, 45% liquid caustic soda, CNS 1302 rigid polyvinyl chloride electrical conduit, CNS 1302 Environmental protection rigid polyvinyl chloride electrical conduit, CNS 1298 rigid polyvinyl chloride plastic pipe, CNS 1298 Environmental protection rigid polyvinyl chloride plastic pipe, furniture fabric (CFEFY002), insulation fabric (CFBBYMS1), Huaifu automotive soft leather, a total of 11 items.	VCM	H61 (25Kg /package)																																	

Promoting Items	Implementation status (Note 1)						Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons		
	Yes	No	Summary						
				Data period	2021	2023	2024	2022	2022
				Inventory time	2023/03	2024/03	2025/05	2023/05	2023/09
			Verification	Verification unit	BSI	AFNOR (AFNOR)	Expected AFNOR	SGS	AFNOR (AFNOR)
				Verification time	2023/07	2024/05	Expected on 2025/05	2023/12	2023/09
			■ Emission intensity per unit product						
			(Tons of CO ₂ e/ tones)						
			Company	Product	2022	2023	2024	Goals	Achievement Status
			CGPC Toufen Plant	PVC resin	0.202	0.193	0.191	0.248	Achieved
				Chlor-alkali products	1.302	1.283	1.266	1.366	Achieved
				Processed Products	0.440	0.436	0.478	0.455	Not achieved
			TVCM Linyuan Plant	VCM	0.423	0.405	0.493	0.446	Not achieved
			CGPCPOL Linyuan Plant	PVC resin	0.210	0.192	0.183	0.234	Achieved
Note 1: Scope includes CGPC (Toufen Plant), TVCM, and CGPCPOL (Linyuan Plant).									
Note 2: Due to the adjustment of calculation in the base year (chemicals in dry tons), the goal was revised in 2022, is based on the average value of product-specific emission intensities from 2019 to 2021. It is expected that the target will be revised after the review in 2025.									
Note 3: The reason CGPC's processed products goals were not achieved in 2024 was due to insufficient order load leading to an increased number of stops and starts, as well as downtime from fire damage to the adhesive tape machine.									
Note 4: The reasons why TVCM's VCM goals for 2024 were not achieved are because the annual VCM production in 2024 decreased by 25% compared to 2023. Due to production fluctuations affecting energy consumption (unable to achieve optimal operation mode), the unit energy consumption (electricity, steam, natural gas) increased significantly.									
Note 5: The 2022 target revision setting is based on the average value of product-specific emission intensities from 2019 to 2021. It is expected that the target will be revised after the review in 2025.									

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																				
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			<p>■ Carry out corporate greenhouse gas inventory, water resource management, and waste management and disclose them as follows:</p> <table border="1"> <thead> <tr> <th>Item</th><th>Note</th><th>2022</th><th>2023</th><th>2024</th></tr> </thead> <tbody> <tr> <td>GHG Management</td><td>Plant planned related action plan response. In 2024, the greenhouse gas emission (self-inventory) has been reduced by 31.1% compared to the base year (2017)</td><td>Scope 1+2 Verified Total Emissions are 336,840 metric tonnes</td><td>Scope 1+2 Self-inventory Total Emissions are 319,612 metric tonnes</td><td>Scope 1+2 Self-inventory Total Emissions are 282,787 metric tonnes</td></tr> <tr> <td>Water Management</td><td>Reduce and minimize water waste, improve and replace equipment that consumes water (replace a set of 150 tons/hour pure water system by the end of 2024 to improve the pure water conversion rate and reduce wastewater discharge), and set an annual target to increase the R2 water recovery rate by 0.4% for 2025-2030 (for three plants). Actively implement the plan to apply for water consumption fee reduction.</td><td> •Total water intake: 2,918.8 •Total of water recycled: 1,351.9 Unit: million liters </td><td> •Total water intake: 2,734.5 •Total of water recycled: 1,314.1 Unit: million liters </td><td> •Total water intake: 2,594.9 •Total of water recycled: 1,055.6 Unit: million liters </td></tr> <tr> <td>Waste Disposal Management</td><td>The Company recycles waste materials and uses circular production processes and distribution models to reduce the impact of waste on the environment. We have reduced the total amount of waste each year.</td><td>Reduced 3,274.54 tons of waste</td><td>Reduced 4,923.89 tons of waste</td><td>Reduced 5,136.73 tons of waste</td></tr> </tbody> </table> <p>Note 1: CGPC's recyclable resources of each plant are collected and processed by legal vendors.</p> <p>Note 2: In terms of waste management and disposal monitoring, the Company's environmental safety and sanitation unit conducts regular audits, and the general affairs unit enters into contracts with qualified waste removal and treatment organizations. During the removal process, the GPS real-time tracking system is used to confirm the route and flow direction of the removal, and ultimately, the three parties use their stamps in accordance with the delivery receipt to ensure that wastes are removed and disposed of in accordance with the regulations and</p>	Item	Note	2022	2023	2024	GHG Management	Plant planned related action plan response. In 2024, the greenhouse gas emission (self-inventory) has been reduced by 31.1% compared to the base year (2017)	Scope 1+2 Verified Total Emissions are 336,840 metric tonnes	Scope 1+2 Self-inventory Total Emissions are 319,612 metric tonnes	Scope 1+2 Self-inventory Total Emissions are 282,787 metric tonnes	Water Management	Reduce and minimize water waste, improve and replace equipment that consumes water (replace a set of 150 tons/hour pure water system by the end of 2024 to improve the pure water conversion rate and reduce wastewater discharge), and set an annual target to increase the R2 water recovery rate by 0.4% for 2025-2030 (for three plants). Actively implement the plan to apply for water consumption fee reduction.	•Total water intake: 2,918.8 •Total of water recycled: 1,351.9 Unit: million liters	•Total water intake: 2,734.5 •Total of water recycled: 1,314.1 Unit: million liters	•Total water intake: 2,594.9 •Total of water recycled: 1,055.6 Unit: million liters	Waste Disposal Management	The Company recycles waste materials and uses circular production processes and distribution models to reduce the impact of waste on the environment. We have reduced the total amount of waste each year.	Reduced 3,274.54 tons of waste	Reduced 4,923.89 tons of waste	Reduced 5,136.73 tons of waste	
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	Yes	No	Summary	
			<p>there was no breach of contract by any of the waste removal and treatment organizations in 2024.</p> <p>Note 3: Due to some omissions in the previous statistics of the three factories, the waste statistics for 2022 have been updated.</p> <p>Note 4: The reason for the increase in the amount of business waste in 2023 of CGPC was the increase in the amount of scrap iron due to the demolition of the Buichi plant, while CGPCPOL saw an increase in landfill volume due to leftover packing bag waste. For the CGPCPOL section, a consensus has been achieved with the waste hauler to conduct off-site recycling and reuse in the future. The increase in hazardous waste in CGPC was due to the chemical waste from the leather factory.</p> <p>Note 5: In 2024, TVCM experienced an increase in business waste due to the dismantling of tanks and replacement of overhaul equipment, while CGPC was unable to effectively reduce waste volume due to the demolition after a fire at the hard cloth factory.</p> <p>Note 6: Greenhouse gas, please refer to: (1) The State of the Company's Implementation of Corporate Governance (V) 3. Environmental Issues, Item (2) - Carbon Reduction Pathway Planning Footnote (2) The State of the Company's Implementation of Corporate Governance (V) 8. Implementation Status of Climate Related Information.</p> <p>Note 7: The reuse water volume in 2023 and 2024 decreased due to a sharp decline in production volume.</p> <p>Above detailed description, please refer to Chapter 5 of the 2024 ESG Report, URL as follows: https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx</p>	
IV. Social Issues (I) Has the Company formulated the relevant management policies and procedures in accordance with relevant laws	V		(I) Human rights policy: The Company has made reference to internationally recognized human rights standards including the International Bill of Rights and the International Labour Organization's	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEX

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and regulations and the International Bill of Human Rights?			<p>Declaration on Fundamental Principles and Rights at Work to realize universal human rights values and in March 2018, formulated a human rights policy applicable to the Company and all USI Group's affiliates to eliminate human rights violations. Moreover, it provides a safe and healthy work environment, ensuring that employees receive reasonable and dignified treatment and care.</p> <p>Human Rights Risk Identification and Assessment:</p> <p>Conduct human rights risk identification annually, execute compliance checks and assessments for identified human rights concerns, and, based on the evaluation results and internal and external review findings, take mitigation and corrective actions. Continuous improvement is pursued to achieve the goals of risk management.</p> <p>CGPC and its subsidiaries TVCM and CGPCPOL have established procedures and processes for each stage of human rights management as the foundation for safeguarding and protecting human rights, including: declaration, identification, assessment and analysis, action, and reporting.</p> <p>Human rights issues involve different business departments and units. Through the Human Resources Department, due diligence and risk management operations are conducted for various affected parties and human rights issues.</p> <p>Human rights due diligence process:</p> <table> <tr> <th>Stage</th> <th>Steps</th> <th>Practices</th> </tr> <tr> <td>Stage One: Commitment</td> <td>Statement</td> <td>An external commitment to support and comply with international norms and local laws by formulating a human rights policy.</td> </tr> <tr> <td rowspan="2">Stage Two: Management</td> <td>Identification</td> <td>Identify significant human rights issues and affected parties related to organizational attributes and operational patterns.</td> </tr> <tr> <td>Assessment and Analysis</td> <td>Regularly evaluate human rights impacts on all employees and service processes to understand the level of risk exposure.</td> </tr> <tr> <td>Stage Three: Response Measures</td> <td>Action and reporting</td> <td>1. According to the regularly evaluated level of human rights risks, formulate different action plans.</td> </tr> </table>	Stage	Steps	Practices	Stage One: Commitment	Statement	An external commitment to support and comply with international norms and local laws by formulating a human rights policy.	Stage Two: Management	Identification	Identify significant human rights issues and affected parties related to organizational attributes and operational patterns.	Assessment and Analysis	Regularly evaluate human rights impacts on all employees and service processes to understand the level of risk exposure.	Stage Three: Response Measures	Action and reporting	1. According to the regularly evaluated level of human rights risks, formulate different action plans.	Listed Companies
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			<p>Concerns and practices for human rights:</p> <p>(1) Provide a safe and healthy working environment:</p> <p>In the face of extreme global climate change and the government's policy of promoting net-zero carbon emissions, CGPC continues to make efforts to mitigate greenhouse gas emissions for the sake of sustainable development. Through industry-academia cooperation, the Company has introduced AI big data algorithms and combined academic expertise with practical work to enhance the performance of various items and build an intelligent chemical plant.</p> <p>In order to improve the working environment and optimize the corporate structure, we actively introduced various management operating systems (ISO 50001, ISO 14064-1, ISO 14067, ISO 46001, ISO 14046, PSM, GRS) and proposed various improvement plans by referencing international and technological developments. Additionally, we follow the USI Group's carbon reduction target of "27% reduction of carbon emissions by 2030 compared to 2017," and annually track and review progress, implementing specific measures such as phasing out old facilities and establishing and purchasing green electricity in a timely manner. CGPC and its subsidiaries, TVCM and CGPCPOL, have all obtained ISO 50001 certification.</p> <p>In addition to providing a safe and healthy working environment in accordance with laws and regulations, the Company has established a dedicated unit and committee</p>					

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			<p>for occupational safety and health and employs medical specialists and nursing personnel. We regularly conduct relevant education and training on safety and health and fire safety, and adopt necessary preventive measures to prevent occupational hazards, thereby reducing hazards of the working environment.</p> <p>(2) Friendly Workplace:</p> <p>Diversity, Equity, Inclusion (DEI, Diversity Equity Inclusion) The Company respects different genders, ages, and cultures in order to build a friendly workplace environment where everyone can make the most of their strengths.</p> <p>The Company creates a diverse environment by accommodating people of different backgrounds, races, genders, sexual orientations, abilities and perspectives in the workplace and provides our employees with fair opportunities and treatment in an equitable and inclusive manner, so as to bridge the gap between different groups, and to reasonably ensure that each employee is respected and accepted, and is able to fully participate and contribute.</p> <p>The Company will continue to promote gender equality and prevent workplace harassment through publicity and training, and strive to provide a dignified and friendly working environment for our employees.</p> <p>The Company has implemented maternal and child protection and set up priority parking spaces for pregnant women at our headquarters in Toufen Plant.</p> <p>(3) Prohibiting illegal discrimination to ensure equal work opportunities:</p> <p>The Company implements the human rights policy in the internal control procedures. In terms of employment, remuneration and benefits, training opportunities, promotion, dismissal or retirement, and other labor rights and interests, employees and applicants cannot be unfairly treated due to their race, social station, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, physical and mental disabilities, horoscope, blood type, and other factors.</p> <p>(4) No child labor:</p> <p>To ensure compliance with corporate social responsibility and ethical regulations,</p>	

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			<p>the Company has explicitly prohibited child labor since the beginning of recruitment. As of the end of December 2024, the total number of employees of the Company and its subsidiaries, CGPC, TVCM, CGTD, and CGPCPOL, was 832, with no child laborers.</p> <p>(5) Forced labor prohibition:</p> <p>The Company does not force or coerce any unwilling personnel to perform labor services. The daily and weekly normal working hours and extended working hours, leave, annual paid leaves and other types of leaves for employees strictly adhere to laws and regulations.</p> <p>A reminder is set when employees apply to work overtime in the attendance system. Overtime payments or compensatory leaves are provided after working overtime, and dedicated personnel is assigned to inspect and control the working hours of the factory every month.</p> <p>Human rights protection training practices:</p> <ol style="list-style-type: none"> (1) Training new employees: upon arrival, it is required to conduct new employees' education and training related to relevant regulatory compliance promotion, including: sexual harassment prevention, anti-discrimination, anti-harassment, working hour management and ensuring humane treatment. (2) Prevention of workplace violence: Through promotion and announcements, employees are made aware of their responsibility to assist in ensuring that there is no unlawful invasion in the workplace when performing their duties, and disclose the complaint hot line to jointly create a friendly working environment. (3) Occupational safety training series includes: Safety and health educational training, fire safety training, emergency response, and first aid personnel training. (4) Integrity and moral code advocacy- Take daily behaviors and ethical standards as examples to educate and promote to establish and provide a healthy and positive workplace culture. <p>The Company continues to pay attention to human rights protection and implement relevant training to improve human rights protection awareness and reduce the possibility of related risks. In 2024, training related to the promotion of human rights protection was held,</p>	

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			<div>with CGPC and its subsidiaries TVCM, CGPCPOL, and CGTD, with a total of 4,552 participants and a total of 14,522.5 training hours. The number of participants and training details (including the statistics of CGPC and its subsidiaries TVCM, CGPCPOL, and CGTD) are listed as follows:</div> <table><tr><th>Course title</th><th>Total participants</th><th>Total training hours</th></tr><tr><td>Process Safety Training</td><td>475</td><td>1,267.0</td></tr><tr><td>Occupational Safety Training/ Promotion</td><td>488</td><td>3,232.0</td></tr><tr><td>Environmental Protection Training</td><td>316</td><td>1,600.5</td></tr><tr><td>Safety and Health On-the-job Education and Training (including on-the-job and refresher training for operations supervisors)</td><td>991</td><td>3,508.5</td></tr><tr><td>Emergency Response Drills</td><td>688</td><td>2,000.0</td></tr><tr><td>Self-Defense and Fire Marshalling Team Training</td><td>280</td><td>1,120.0</td></tr><tr><td>Fire Safety Training/ Promotion</td><td>26</td><td>138.0</td></tr><tr><td>Workplace Health Promotion Seminar</td><td>273</td><td>353.0</td></tr><tr><td>First Aid Personnel and Occupational Health Nurse Related Education and Training</td><td>17</td><td>134.0</td></tr><tr><td>Friendly Workplace - Promotion of maintaining a workplace free from violence, harassment, and intimidation</td><td>998</td><td>1,169.5</td></tr><tr><td>Total</td><td>4,552</td><td>14,522.5</td></tr></table> <div>Human Rights Risks Mitigation Measures: The Company is committed to ensuring the safety of the employees and the working environment, respecting and protecting their dignity, and conducting operations in accordance with the ESG spirit while complying with regulations and ethics. To achieve these</div>	Course title	Total participants	Total training hours	Process Safety Training	475	1,267.0	Occupational Safety Training/ Promotion	488	3,232.0	Environmental Protection Training	316	1,600.5	Safety and Health On-the-job Education and Training (including on-the-job and refresher training for operations supervisors)	991	3,508.5	Emergency Response Drills	688	2,000.0	Self-Defense and Fire Marshalling Team Training	280	1,120.0	Fire Safety Training/ Promotion	26	138.0	Workplace Health Promotion Seminar	273	353.0	First Aid Personnel and Occupational Health Nurse Related Education and Training	17	134.0	Friendly Workplace - Promotion of maintaining a workplace free from violence, harassment, and intimidation	998	1,169.5	Total	4,552	14,522.5	
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			<p>commitments, besides upholding the integrity and respecting employees by law, we assign dedicated personnel to implement employee occupational safety and health operations by law. We also continuously promote and educate to implement human rights policies in daily operational practices, and establish effective complaint channels.</p> <p>2024 Human Rights Management Achievements</p> <p>Based on the Company's Human Rights Policy and Management Plan, after conducting risk identification, a total of 14 human rights issues have been included this year, among which 9 have been categorized as management items of major concern, including: "workplace inclusion," "forced labor," "excessive working hours," "sexual harassment," "workplace violence," "child labor," "personal data management and privacy protection," "occupational safety management," and "employment and workplace discrimination." For items with potential risks among the aforementioned significant issues, The Company has implemented risk mitigation measures and impact compensation measures, achieving a 100% implementation rate for impact compensation. After implementing the mitigation measures and impact compensation measures, they are as follows:</p> <table><tr><th>Issues</th><th>Mitigation measures.</th><th>Compensation measures.</th></tr><tr><td>Excessive working hours</td><td><ol style="list-style-type: none">1. In accordance with labor laws regarding working hours, the Company regularly reviews compliance with regulations and fully implements them.2. Through the attendance and overtime management system, employees' attendance times are accurately recorded.3. The system sends daily reminders for clock-in and clock-out time overruns, reminding employees of the normal clock-in and clock-out times and the</td><td><ol style="list-style-type: none">1. If employees work overtime, overtime pay is issued in accordance with the law.2. Understand colleagues' workload and reasons for overtime, and actively pursue process improvement and optimization tasks to help enhance work efficiency.3. Individuals with excessive working hours are included in the abnormal workload identification and risk investigation list. Regular employee health check-ups are conducted, and adjustments to related operations and personnel are made as appropriate.<p>Understand colleagues' workload and reasons for excessive working hours, and actively pursue process improvement and optimization tasks to help enhance work efficiency.</p></td></tr></table>	Issues	Mitigation measures.	Compensation measures.	Excessive working hours	<ol style="list-style-type: none">1. In accordance with labor laws regarding working hours, the Company regularly reviews compliance with regulations and fully implements them.2. Through the attendance and overtime management system, employees' attendance times are accurately recorded.3. The system sends daily reminders for clock-in and clock-out time overruns, reminding employees of the normal clock-in and clock-out times and the	<ol style="list-style-type: none">1. If employees work overtime, overtime pay is issued in accordance with the law.2. Understand colleagues' workload and reasons for overtime, and actively pursue process improvement and optimization tasks to help enhance work efficiency.3. Individuals with excessive working hours are included in the abnormal workload identification and risk investigation list. Regular employee health check-ups are conducted, and adjustments to related operations and personnel are made as appropriate. <p>Understand colleagues' workload and reasons for excessive working hours, and actively pursue process improvement and optimization tasks to help enhance work efficiency.</p>	
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(II) Has the Company established and implemented reasonable employee benefits (including remuneration, leave, and other benefits) and reflected the business performance or results in employee remuneration appropriately?	V		<p>not only boosted their physical and mental vitality but also achieved weight loss goals through teamwork and mutual encouragement, cultivating a habit of regular exercise and thereby enhancing awareness of chronic disease prevention.</p> <p>Complaint System</p> <p>The Company has a smooth complaint channel. When employees encounter various problems within the Company, they can file a complaint to all supervisors or the human resources division through the Company's complaint channel. In addition, in order to maintain gender equality in the workplace and provide employees and job seekers with an environment free from sexual harassment and unlawful invasions, there is a dedicated complaint mailbox and e-mail for the prevention of sexual harassment and unlawful conduct. During the period of the complaint investigation, the investigation will be handled confidentially. The name of the complainant or other relevant information sufficient to identify the complainant will not be disclosed to protect the complainant.</p> <p>(II)</p> <p>The Company has stipulated in the Articles of Incorporation that if there are profits for the year, employee remuneration should be distributed at not less than 1% of the annual profit. All employees of the Company can share in the Company's business results.</p> <p>The Company has maintained good communication with its employees through the labor union and labor-management meetings, so the two parties have not specifically established a collective agreement.</p> <p>The Company has established and implemented the following employee remuneration and benefits:</p> <ol style="list-style-type: none"> 1. Employee Remuneration <p>The Company has a Payroll Remuneration Committee that regularly reviews the remuneration policy, linking rewards and penalties to year-end bonuses to ensure a clear and effective reward and disciplinary system. Year-end bonuses are distributed based on the Company's profitability, individual employee performance, and the achieving rate of organizational goals.</p> 2. Employee welfare measures 	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons	
	Yes	No	Summary		
(III)Does the Company provide a safe and healthy work environment to its employees, and regularly offer safety and health education to its employees?	V		The Company has diverse welfare measures.		
			Welfare Items		Content
			Bonus and welfare		Year-end bonus, annual festival gift money.
			Leave benefits		Unpaid parental leave, menstrual leave, family care leave, maternity leave, prenatal medical leave, paternity medical leave, and paternity leave.
			Insurance benefits		Labor Insurance, health insurance, employee business travel accident insurance, employee/dependent group insurance, and labor retirement contribution.
			Transportation benefits		Employee Parking Lots, Transportation Allowance
			Entertainment benefits		Employee club sponsorship, staff trips, year-end banquet dinners.
			Subsidy Benefits		Employee on-the-job education and training, domestic/overseas study subsidies
			Other benefits		Employee maternity benefits, wedding and funeral allowances, staff travel subsidies, senior staff recognitions, child education subsidies, regular employee health checkups and wellness programs, etc.
			(III)		
			Employee safety and health management:		
			The Company has established ISO-45001 occupational safety and health management systems to provide good safety and health protection structure, prevent accidents, and ensure regulatory compliance.		

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			<p>The Company's management system covers the employees of CGPC Toufen Plant, TVCM Linyuan Plant, and CGPCPOL Linyuan Plant (excluding Taipei employees, Global Green Technology Corporation), collectively referred to in this document as the Vinyl Chain's three plants. In 2024, the number of employees reviewed by external institutions was 1,428 (about 779 Company employees + about 649 contractors), including employees (accounting for 54.6%) and non-employees (accounting for 45.4%). Their roles include sales, production, design, development, procurement, administration, engineering, and contracting, covering 100% of the Company's sales. (Refer to ESG Report 6.4.2 - Implementation of occupational health and safety) https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx</p> <p>1. Occupational Safety and Health Policy:</p> <ol style="list-style-type: none"> (1) The Company formulates policies in accordance with the Occupational Safety and Health Act and the regulations of customers and related groups. We respect the requirements of relevant interest groups for occupational safety and health to build a healthy and happy workplace. (2) The Company makes disaster precaution and disaster prevention its core concept, uses appropriate management tools, mature technologies, and available resources to integrate occupational safety and health issues in the factory. We propose effective measures, and continuously improve and promote occupational safety culture and process safety management. (3) Strengthen the personal safety protection management of operations personnel and invest resources to strengthen the prevention of occupational disease and create a zero-hazard environment. (4) Continue to improve the working environment and occupational safety and health of business activities, implement industrial waste reduction, energy conservation, and carbon reduction, and adopt Responsible Care in hopes of achieving the goal of ensuring the safety of life and property and sustainable development. <p>2. Implementation Plan: The Company establishes safety performance indicators (information below), expands occupational safety and health activities to improve overall occupational safety and health performance, and effectively controls risks.</p>	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																																																																										
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			<div>■ Safety Performance Indicators: (Periods: January 1, 2024 ~ December 31, 2024, unit: million working hours)</div> <table><tr><th>Safety Performance Indicators</th><th>CGPC Toufen Plant</th><th>TVCM Linyuan Plant</th><th>CGPCPOL Linyuan Plant</th><th>Global Green</th></tr><tr><td>Disabling frequency rate (F.R.)</td><td>0</td><td>0</td><td>0</td><td>-</td></tr><tr><td>Disabling severity rate (S.R.)</td><td>0</td><td>0</td><td>0</td><td>-</td></tr><tr><td>Frequency-Severity Indicator (F.S.I.)</td><td>0</td><td>0</td><td>0</td><td>-</td></tr><tr><td>Number of occupational safety fines</td><td>0</td><td>0</td><td>0</td><td>-</td></tr><tr><td>Number of Emergency Response Drills</td><td>20</td><td>8</td><td>5</td><td>0</td></tr><tr><td>Number of education and training held</td><td>21</td><td>104</td><td>56</td><td>32</td></tr><tr><td>Number of safety visits</td><td>1,555</td><td>2,675</td><td>635</td><td>0</td></tr><tr><td>The rate of completion of occupational safety and health target management plan</td><td>100%</td><td>100%</td><td>100%</td><td>-</td></tr><tr><td>The rate of improvement of defects inspections</td><td>99%</td><td>100%</td><td>100%</td><td>-</td></tr></table> <div>Note:<div>1. The scope includes Vinyl Chain's three plants, Global Green Technology Corporation(【-】 not applicable).</div><div>2. In 2024, Vinyl Chain's three plants had no occupational accidents.</div><div>3. The inspection deficiencies that are not completed become cross-year relationships, and all deficiencies will be tracked until the improvement rate is 100%.</div></div> <div>■ Occupational injury statistics for the past three years:</div> <table><tr><th>Year</th><th>Total working hours (hrs)</th><th>Number of Occupational Hazard</th><th>Number of Occupational Injuries</th><th>Number of deaths</th><th>Percentage</th></tr><tr><td>2022</td><td>1,789,628.0</td><td>3</td><td>3</td><td>0</td><td>0.33%</td></tr><tr><td>2023</td><td>1,744,378.0</td><td>5</td><td>5</td><td>0</td><td>0.60%</td></tr><tr><td>2024</td><td>1,673,867.8</td><td>0</td><td>0</td><td>0</td><td>0.00%</td></tr></table> <div>Note: The scope includes Vinyl Chain's three plants.</div> <div>The Company adheres to the occupational disaster management goal of "zero accidents, zero occupational hazards" to prevent occupational disasters, protect employee safety and health, continuously improve safety and health management, and enhance the</div>	Safety Performance Indicators	CGPC Toufen Plant	TVCM Linyuan Plant	CGPCPOL Linyuan Plant	Global Green	Disabling frequency rate (F.R.)	0	0	0	-	Disabling severity rate (S.R.)	0	0	0	-	Frequency-Severity Indicator (F.S.I.)	0	0	0	-	Number of occupational safety fines	0	0	0	-	Number of Emergency Response Drills	20	8	5	0	Number of education and training held	21	104	56	32	Number of safety visits	1,555	2,675	635	0	The rate of completion of occupational safety and health target management plan	100%	100%	100%	-	The rate of improvement of defects inspections	99%	100%	100%	-	Year	Total working hours (hrs)	Number of Occupational Hazard	Number of Occupational Injuries	Number of deaths	Percentage	2022	1,789,628.0	3	3	0	0.33%	2023	1,744,378.0	5	5	0	0.60%	2024	1,673,867.8	0	0	0	0.00%	
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			<p>level of safety and health management. Apart from formulating the "Safety and Health Work Code" which requires all employees to strictly comply, the company is also dedicated to implementing various safety and health management measures. In 2024, CGPC, TVCM, and CGPCPOL experienced no incidents; from 2022 to 2024, CGPC, TVCM, and CGPCPOL had no contractor incidents for three consecutive years.</p> <p>3. Monitor Labor Working Environment:</p> <p>To protect laborers from harmful substances in the workplace and provide them with a healthy and comfortable working environment, the monitoring of the working environment is carried out twice a year to gradually understand laborers' actual exposures. The implementation is as follows:</p> <table><tr><th>Company</th><th>Explanation and Improvement Measures</th></tr><tr><td>CGPC Toufen Plant</td><td>Dryer and door panel crusher operation area, noise level exceeds 90dB: Hearing protection program is implemented to reduce personnel noise exposure time.</td></tr><tr><td>TVCM Linyuan Plant</td><td>The monitoring results passed with no abnormality.</td></tr><tr><td>CGPCPOL Linyuan Plant</td><td>The monitoring results passed with no abnormality.</td></tr></table> <p>4. Estimated cost of occupational injuries and illnesses and estimated impact on the company's profitability:</p> <p>In 2023, CGPC improves the labor environment (labor platforms, noise environment renewal) to reduce hazardous factors such as slips and falls, hearing impairment, etc., and prevent recurrence. Reduce estimated cost of occupational injuries and illnesses and estimated impact on the company's profitability, in accordance with the U.S. OSHA Safety and Payment for Personal Injury Assessment, according to the slip and fall caused by (lacerations, burns, bone fractures) and the work environment caused by (hearing loss) the estimated cost of the impact on the profitability of the work of the company. With this estimation tool, understand the occupational injuries and illnesses that will affect company's profitability. (In 2024, CGPC had no compensation costs for work-related injuries)</p>	Company	Explanation and Improvement Measures	CGPC Toufen Plant	Dryer and door panel crusher operation area, noise level exceeds 90dB: Hearing protection program is implemented to reduce personnel noise exposure time.	TVCM Linyuan Plant	The monitoring results passed with no abnormality.	CGPCPOL Linyuan Plant	The monitoring results passed with no abnormality.	
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			<p>5. Health inspections, environmental protection, and occupational safety and health inspections:</p> <p>CGPC has established the "Safety and Health Inspection and Environmental Protection Inspection Guidelines" to conduct inspections (inspect once a month) on the safety and health-related matters of the plant in order to ensure the safety of the operations as well as the personnel. If any defects are found, notices are given and the deadline for improvement depends on the nature of the event.</p> <p>In 2024, CGPC started to implement self-inspection of each factory to check for safety deficiencies, mainly to check whether the environment, machinery, and equipment in the workplace are in a safe condition, to ensure normal operation, and not to jeopardize the safety of the workers at work. In 2024, the number of self-inspection improvements in Vinyl Chain's three plants totaled 4,865 pieces.</p> <p>Statistics on the number of safety inspections and improvements in the past three years</p> <table><tr><th>Company</th><th>Item</th><th>Number of Inspections</th><th>Total Number of Deficiencies</th><th>Completed Improvements</th><th>Improvements</th><th>Improvement Rate</th></tr><tr><td rowspan="3">CGPC</td><td>2022</td><td>1,808</td><td>1,426</td><td>1,426</td><td>0</td><td>100%</td></tr><tr><td>2023</td><td>820</td><td>978</td><td>978</td><td>0</td><td>100%</td></tr><tr><td>2024</td><td>1,555</td><td>1,555</td><td>1,543</td><td>12</td><td>99%</td></tr><tr><td rowspan="3">TVCM</td><td>2022</td><td>1,265</td><td>441</td><td>441</td><td>0</td><td>100%</td></tr><tr><td>2023</td><td>2,160</td><td>580</td><td>580</td><td>0</td><td>100%</td></tr><tr><td>2024</td><td>2,675</td><td>583</td><td>583</td><td>0</td><td>100%</td></tr><tr><td rowspan="3">CGPCPOL</td><td>2022</td><td>376</td><td>23</td><td>23</td><td>0</td><td>100%</td></tr><tr><td>2023</td><td>520</td><td>149</td><td>149</td><td>0</td><td>100%</td></tr><tr><td>2024</td><td>635</td><td>169</td><td>169</td><td>0</td><td>100%</td></tr></table> <p>Note:</p> <p>(1) The scope includes Vinyl Chain's three plants, with a coverage rate of 100%.</p> <p>(2) The number of inspections includes the number of safety and health inspections conducted by on-site supervisors in the past three years, as well as the number of environmental safety and health inspections performed by the safety and environmental protection unit and industrial safety officers.</p> <p>(3) The above cases that are not completed become cross-year relationships, and all deficiencies will be tracked until the improvement rate is 100%.</p>	Company	Item	Number of Inspections	Total Number of Deficiencies	Completed Improvements	Improvements	Improvement Rate	CGPC	2022	1,808	1,426	1,426	0	100%	2023	820	978	978	0	100%	2024	1,555	1,555	1,543	12	99%	TVCM	2022	1,265	441	441	0	100%	2023	2,160	580	580	0	100%	2024	2,675	583	583	0	100%	CGPCPOL	2022	376	23	23	0	100%	2023	520	149	149	0	100%	2024	635	169	169	0	100%	
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			<p>(4) Source of data: environmental safety and health management platform.</p> <p>6. Equipment security management: The Company classifies its equipment, lists the hazardous machinery and equipment as controlled equipment in accordance with the law, and conducts detailed inspections to ensure that the equipment can be operated safely. The Company's hazardous machinery and equipment in 2024. CGPC: 94 sets, TVCM: 127 sets, CGPCPOL: 47 sets, are subjected to regular inspections in accordance with the "Regulations for Safety Inspection of Hazardous Machines and Equipment" to ensure the safety concerns of the equipment.</p> <p>7. Safety and Health Education and Training and Advocacy:</p> <table><tr><th rowspan="2">Year</th><th colspan="2">CGPC Toufen Plant</th><th colspan="2">TVCM Linyuan Plant</th><th colspan="2">CGPCPOL Linyuan Plant</th><th colspan="2">Global Green</th></tr><tr><th>Total Participants</th><th>Training Hours</th><th>Total Participants</th><th>Training Hours</th><th>Total Participants</th><th>Training Hours</th><th>Total Participants</th><th>Training Hours</th></tr><tr><td>2022</td><td>2,644</td><td>9,062.5</td><td>996</td><td>4,900.0</td><td>184</td><td>996.0</td><td>-</td><td>-</td></tr><tr><td>2023</td><td>2,089</td><td>7,520.5</td><td>1,099</td><td>4,404.5</td><td>211</td><td>1,264.5</td><td>-</td><td>-</td></tr><tr><td>2024</td><td>2,608</td><td>9,617.5</td><td>975</td><td>3,667.5</td><td>175</td><td>963.0</td><td>44</td><td>213.0</td></tr></table> <p>The Company is deeply aware that employees, suppliers, and contractors are the most important assets for sustainable corporate development. Therefore, we require compliance with occupational safety and health regulations and other related requirements in the R&D, production, testing, and sales of the Company's products and continue to improve safety and health measures to prevent unsafe actions, environments, or equipment from causing occupational hazards in order to fulfill our responsibilities in protecting the safety and health of employees.</p> <p>8. Fire injury statistics:</p> <table><tr><th>Year</th><th>Number of fires</th><th>Number of fire injuries</th><th>Number of fire deaths</th><th>Percentage</th></tr><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>2</td><td>0</td><td>0</td><td>0%</td></tr></table>								Year	CGPC Toufen Plant		TVCM Linyuan Plant		CGPCPOL Linyuan Plant		Global Green		Total Participants	Training Hours	Total Participants	Training Hours	Total Participants	Training Hours	Total Participants	Training Hours	2022	2,644	9,062.5	996	4,900.0	184	996.0	-	-	2023	2,089	7,520.5	1,099	4,404.5	211	1,264.5	-	-	2024	2,608	9,617.5	975	3,667.5	175	963.0	44	213.0	Year	Number of fires	Number of fire injuries	Number of fire deaths	Percentage	2022	0	0	0	0%	2023	0	0	0	0%	2024	2	0	0	0%	
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			<p>Note 1: The scope includes Vinyl Chain's three plants, Global Green.</p> <p>Note 2: Percentage calculation: Number of deaths/Total number of employees.</p> <p>In 2024, TVCM and CGPCPOL experienced no incidents. Two non-casualty fire incidents occurred at the CGPC Toufen Plant Cloth Tape Machine Facility (the fire on November 8 was a re-ignition of smoldering remnants from the October 19 fire). The details of the related fines are as follows:</p> <table border="1"> <thead> <tr> <th>Company</th><th>Disciplinary Item</th><th>Fine (NT\$10,000)</th><th>Facts violated</th><th>Improvement Measures</th></tr> </thead> <tbody> <tr> <td>CGPC</td><td>Fire Services Act Article 15, Paragraph 2</td><td>300,000</td><td>The containment berm was penetrated by pipes, damaging its structural integrity, resulting in the berm's capacity being less than that of the largest tank.</td><td>Immediate corrective actions</td></tr> <tr> <td>CGPC</td><td>Fire Services Act Article 21-1, Paragraph 1, Subparagraph 1</td><td>600,000</td><td>Failed to provide detailed information on the types, quantities, and spatial arrangements of chemicals within the plant, along with essential information for emergency response.</td><td>Immediate corrective actions</td></tr> <tr> <td>CGPC</td><td>Air Pollution Control Act Article 32, Paragraph 1, Clauses 1 and 3</td><td>450,000</td><td>The embers reignited on November 8, emitting odors and particulate pollutants, affecting the air quality in the neighboring areas.</td><td>Immediate corrective actions</td></tr> </tbody> </table> <p>■ Improvement Measures</p> <p>In response to the aforementioned fire incident, the Company has implemented the following Improvement Measures:</p> <ol style="list-style-type: none"> 1. Regulatory Compliance: In 2024, amendments to the Factory Management Act and Hazardous Materials Reporting Regulations were enacted. The Company has completed an inventory and reporting of hazardous materials, increased insurance coverage, revised the penalty ceiling, and implemented a dynamic reporting system. 2. Enhance fire safety: <ol style="list-style-type: none"> 2-1. Fire Safety Regulations: In compliance with the Fire Safety Equipment 	Company	Disciplinary Item	Fine (NT\$10,000)	Facts violated	Improvement Measures	CGPC	Fire Services Act Article 15, Paragraph 2	300,000	The containment berm was penetrated by pipes, damaging its structural integrity, resulting in the berm's capacity being less than that of the largest tank.	Immediate corrective actions	CGPC	Fire Services Act Article 21-1, Paragraph 1, Subparagraph 1	600,000	Failed to provide detailed information on the types, quantities, and spatial arrangements of chemicals within the plant, along with essential information for emergency response.	Immediate corrective actions	CGPC	Air Pollution Control Act Article 32, Paragraph 1, Clauses 1 and 3	450,000	The embers reignited on November 8, emitting odors and particulate pollutants, affecting the air quality in the neighboring areas.	Immediate corrective actions	
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			<p>Inspection and Reporting Act (Article 9), the Company has enhanced inspections of fire safety equipment, conducted preemptive maintenance, and promptly addressed deficiencies to ensure all equipment remains fully operational.</p> <p>2-2. Planning to procure high-flow mobile firefighting water cannons to enhance fire response capacity.</p> <p>2-3. Protective Equipment Maintenance: Class A protective gear undergoes annual external inspections to ensure optimal functionality.</p> <p>3. Strengthening Safety Education: The Company continues to conduct fire drills, enhance emergency response capabilities, and reinforce employee safety awareness training, including learning and prevention. (Two sessions per year for the entire plant, a total of eight batches of Self-Defense and Fire Marshalling Team Training.)</p> <p>4. Implement Risk Assessment: Reassess start-up and shutdown SOPs and heat transfer fluid operation safety. Enhance early warning monitoring systems and conduct an annual assessment of facility safety risks, with strengthened management of high-risk areas.</p> <p>5. Other Improvement Measures: Continuously establish and update the Hazardous Chemicals Access and Response Database (H-CARD) and promote the operation of the in-house chemical cloud system. This system centralizes chemical information, providing details on chemical types, quantities, site layout, and essential information for emergency response, facilitating timely access to necessary information for disaster relief and precise formulation of sustainable strategies.</p> <p>In order to enhance the ability of our employees to respond to emergencies, understand the correct procedures, and familiarize themselves with the use of safety protection equipment, so as to ensure the safety of employees, the environment, and the normal operation of the plant, and to minimize the damage caused by accidents, we have continued to strengthen our fire prevention management, fire drills, fire equipment inspections, and management of flammable materials in the plant, and to improve the fire prevention awareness of our employees.</p> <p>Regarding the impact of this incident, The Company commits to continuously strengthening environmental protection efforts and strives to prevent similar events from</p>	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(IV) Has the Company established effective career development and training plans for its employees?	V		<p>occurring again to fulfill our corporate social responsibility. An internal announcement regarding the disciplinary actions for the relevant personnel was made in December 2024.</p> <p>(IV)</p> <ul style="list-style-type: none"> ■ Career development and training plans: CGPC is committed to enhancing the overall competitiveness of its employees, and thus has established a comprehensive education and training system to align with changes in the external environment, the group's business principles, the company's development strategy, department performance goals, and employees' individual career development needs. The Company provides training courses required by all-round talents and systematically plans employees' career development through three major frameworks: "On-the-Job Training (OJT)", "Off-the-Job Training (Off-JT)", and "Self-Development (SD)". ■ Training for different stages of career: <ol style="list-style-type: none"> 1. New recruits: <ol style="list-style-type: none"> 1-1. Provide comprehensive orientation for new employees, introducing the group's corporate culture, business philosophy, labor regulations, organizational system standards, professional skills, and operating procedures. This assistance helps new colleagues integrate quickly into the work environment and enhances their sense of identification and unity with the Company. 1-2. According to the needs of each unit, professional courses or industrial and security courses are implemented. 2. Current Staff: <ol style="list-style-type: none"> 2-1. Conduct employee training needs surveys in the fourth quarter of each year, and formulate annual education and training implementation plans and budgets. 2-2. Regularly hold diversified functional training, management training, seminars, health talks, and various conferences to enhance employees' professional and management skills, thereby balancing employees' physical and mental development. 2-3. To make learning more lively and dynamic, a variety of course delivery methods are adopted, including lectures, activity design, case studies, and group discussions. 2-4. A digital learning platform (e-Learning) is established to provide a means for self-learning, allowing employees to effectively participate in learning activities anytime, anywhere. 	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																																												
	Yes	No	Summary																																													
			<p>3. Successor reserve personnel:</p> <p>3-1. In order to ensure the smooth succession and continuity of key positions in the Company, The Company provides training for succession reserve personnel, including job rotation, overseas assignments, project leadership, management skills, and leadership training.</p> <p>3-2. These trainings help to avoid talent gaps and maintain the stability and competitiveness of the Company’s operations.</p> <p>4. Retiring personnel:</p> <p>Concerning the physical and mental health of retirees and their post-retirement life planning, courses on retirement finances, health management, and life adjustment are arranged to assist them in smoothly transitioning into retirement.</p> <p>■ Core Philosophy:</p> <p>1. The education and training system emphasizes systematic and comprehensive approaches, aiming to provide learning opportunities for employees.</p> <p>2. Emphasize diverse learning methods, including onsite courses, activities, case studies, group discussions, and digital learning.</p> <p>3. Committed to enhancing employees' professional abilities, management skills, and physical and mental health, thereby promoting employees' career development and improving the company's overall performance.</p> <table><tr><th rowspan="2">Year</th><th colspan="2">CGPC</th><th colspan="2">TVCM</th><th colspan="2">CGPCPOL</th><th colspan="2">Global Green</th></tr><tr><th>Total Partici pants</th><th>Training Hours</th><th>Total Partici pants</th><th>Training Hours</th><th>Total Partici pants</th><th>Training Hours</th><th>Total Partici pants</th><th>Training Hours</th></tr><tr><td>2022</td><td>2,644</td><td>9,062.5</td><td>996</td><td>4,900.0</td><td>184</td><td>996.0</td><td>-</td><td>-</td></tr><tr><td>2023</td><td>2,089</td><td>7,520.5</td><td>1,099</td><td>4,404.5</td><td>211</td><td>1,264.5</td><td>-</td><td>-</td></tr><tr><td>2024</td><td>5,104</td><td>15,175.0</td><td>1,591</td><td>5,059.5</td><td>322</td><td>1,277.0</td><td>193</td><td>521</td></tr></table> <p>Note: China General Terminal and Distribution Corporation was established in February 2022, and during the startup period, personnel from TVCM's Sustainable Development Department were seconded to support the work. This team officially transferred to China General Terminal and Distribution Corporation on July 1, 2024.</p>	Year	CGPC		TVCM		CGPCPOL		Global Green		Total Partici pants	Training Hours	Total Partici pants	Training Hours	Total Partici pants	Training Hours	Total Partici pants	Training Hours	2022	2,644	9,062.5	996	4,900.0	184	996.0	-	-	2023	2,089	7,520.5	1,099	4,404.5	211	1,264.5	-	-	2024	5,104	15,175.0	1,591	5,059.5	322	1,277.0	193	521	
Year	CGPC		TVCM		CGPCPOL		Global Green																																									
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Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(V)Has the Company followed relevant laws, regulations and international guidelines for the customer health and safety, customer privacy, and marketing and labeling of its products and services and established related consumer or customers protection policies and grievance procedures?	V		<p>(V)</p> <p>To ensure that products and services comply with relevant laws, regulations, and international guidelines regarding customer health and safety, customer privacy, marketing, and labeling, The Company strives to provide satisfying services for customers and to create long-term partnerships with them. Based on the international standard of quality management system (ISO 9001:2015), we ensure the safety and rights and interests of consumers.</p> <ol style="list-style-type: none"> Compliance with marketing and labeling: <ol style="list-style-type: none"> The Company's products obtained many certifications such as EU environmental protection regulations RoHS, REACH, EN 71-3, and food additive license. The Company has established "product identification and traceability, protection measures" to clearly identify and manage traceability when delivered. Please refer to the official website: System and Product Validation/Registration Record https://www.cgpc.com.tw/zh-tw/dirProduct/frmProduct.aspx https://www.cgpc.com.tw/zh-tw/dirProduct/frmProduct.aspx Protection of customer health and safety: Safety Data Sheets (SDS) have been established for raw material products to provide customers with storage and transportation guidelines to maintain health and safety. Consumer or Customer Rights Protection and Grievance Procedures: <ol style="list-style-type: none"> According to the SOP "Customer Dispute Handling Procedures," provide customers with multiple channels for complaints to safeguard their rights and interests. Set up a stakeholder's contact window on the ESG webpage as a channel for accepting customers' questions, complaints, or suggestions. Customer data protection and privacy maintenance: <ol style="list-style-type: none"> The Group Information System Div. has established various information security regulations and passed ISO 27001:2013 certification to protect and control all types of data. By enhancing firewall management, access control, and separating the test environment from the actual working environment, customer data access is strictly controlled to reduce the risk of confidential information leakage. 	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(VI) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?	V		<p>(3) In terms of customer privacy, The Company adheres to the Non-disclosure Agreement and Personal Data Protection Act, regularly conducts privacy impact assessments, and provides employee privacy education and training, fulfilling its duty of keeping customer data confidential.</p> <p>(VI) The supplier management policy is explained as follows:</p> <ol style="list-style-type: none"> 1. Supplier evaluation system: In order to encourage suppliers to continuously optimize and allow The Company to obtain high-quality raw materials and services in a timely, appropriate, and cost-effective manner, an annual evaluation is conducted. This evaluation is aligned with production operations and environmental protection policies, assessing suppliers based on items such as quality, delivery time, environmental protection and safety, packaging, quality certification, and service. 2. Promote and encourage suppliers to sign the Supplier Corporate Social Responsibility Commitment Letter (hereinafter referred to as the Commitment), requiring suppliers to commit to issues such as human rights, occupational safety, health, environmental protection, and conflict minerals. <p>Required Items:</p> <ol style="list-style-type: none"> (1) Labor and Human Rights: including not forcing labor, prohibiting the employment of child labor, providing due wages and benefits, ensuring laborers' working hours and rest time, eliminating workplace sexual harassment, bullying, and workplace discrimination, and not using conflict minerals, etc. (2) Health and Safety: Includes providing occupational safety, emergency response, industrial hygiene, machine guarding, public health and accommodations, as well as health and safety information and other necessary measures. (3) Environment: Includes environmental operating permits, pollution prevention and resource conservation, hazardous substances, sewage, non-hazardous solid waste, noise, air emissions, product and service restrictions, and energy/resource consumption and greenhouse gas emissions. (4) Ethical Standards: including ethical corporate management, respect for intellectual 	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			<p>property rights, compliance with relevant confidentiality agreements, protection of privacy, and avoidance of conflicts of interest, etc.</p> <p>3. Implementation status:</p> <p>(1) Supplier Evaluation: In 2024, a total of 255 suppliers were evaluated, with a qualification rate of 99.6%.</p> <p>(2) Commitment Signing: All existing suppliers have signed the Commitment, and the signing of the Commitment will also be included in the criteria for selecting new suppliers.</p> <p>(3) Planning Supplier On-site Audits: Starting in 2024, CGPC initially conducted on-site audits targeting major raw material suppliers and special auxiliary material suppliers. Suppliers are also required to complete a Supplier Code of Conduct and Quality Requirements Self-Assessment Form. Starting in 2025, the scope of supplier on-site audits is also expanded, currently achieving a pace of approximately four audits per year. The audit content is gradually adjusted to ensure that suppliers cooperating with CGPC meet social and environmental assessment standards.</p>	
V. Does the Company follow internationally recognized reporting standards or guidelines in preparing ESG reports to disclose non-financial information? Has the Company obtained assurance or certification for the aforementioned reports from an independent third-party institution?	V		<p>CGPC prepares the ESG Report based on the Universal Standards and Topic Standards set by the Global Reporting Initiative (GRI), disclosing key economic, environmental, and social topics (including human rights), impacts, disclosure items, and their reporting requirements identified by the Company. This is done with reference to the Sustainability Disclosure Indicator - Plastics Industry, Guidelines for Preparing and Reporting Sustainability Development Reports for Listed Companies, Sustainable Development Best Practice Principles, the Sustainability Accounting Standards Board (SASB) Standards for the Chemicals industry, the Task Force on Climate-related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (SDGs).</p> <p>In the 2023 ESG Report, Deloitte & Touche, Taipei, Taiwan, Republic of China was commissioned as the third-party assurance provider to review the compliance with the GRI Standards and conduct limited assurance procedures on five ESG indicators in accordance with Assurance Standards (No. 3000), and issue an assurance report.</p> <p>Please refer to the 2024 ESG Report, website:</p>	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																		
	Yes	No	Summary																			
			https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx																			
VI.If the Company has established its own Sustainable Development Best Practice Principles in accordance with the Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies, state the discrepancies between these principles and its implementation: On March 11, 2015, the Board of Directors of CGPC approved the establishment of the "Corporate Social Responsibility Code of Practice," and on March 9, 2022, it was amended in accordance with the Tai Cheng Chih Li No. 11000241731 issued by TWSE on December 7, 2021, and approved by the Board of Directors to be renamed the "Sustainable Development Best Practice Principles." On December 23 of the same year, a new Article 27-1 was added in accordance with Tai Cheng Chih Li No. 11100243661 by TWSE. On March 2, 2023, the ESG Committee approved the amendment of the new article. The Company manages its economic, environmental, and social risks and impacts in accordance with the "Sustainable Development Best Practice Principles" and continuously improves based on this. So far, there has been no significant deviation.																						
VII.Other important information to facilitate a better understanding of the Company's implementation of sustainable development: (I) Composition, duties, and operation of the ESG Committee: The Company's Sustainable Development Committee was officially established on November 9, 2017, and the composition, duties, and operations of the Sustainable Development Committee are as follows: 1. Information on the Members:																						
<table><tr><th>Title</th><th>Name</th><th>Related Professional Qualifications</th></tr><tr><td>Committee Chairman</td><td>Independent Director Zheng, Ying-Bin</td><td>Chairman of Long Chen Paper Co., Ltd. who adopted new technologies in resource recycling for the development of environmentally friendly paper products for domestic use. Mr. Cheng has decades of experience and achievements in the circular economy.</td></tr><tr><td>Deputy Committee Chairman</td><td>President: Hu, Chi-Hong</td><td>Has extensive experience in production, sales, and Business management in the plastics industry as the President of both CGPC and CGPCPOL.</td></tr><tr><td>Member</td><td>Wu,Yi-Gui, Chairman</td><td>—</td></tr><tr><td>Member</td><td>Hsu,Chen-I, Independent Director</td><td>—</td></tr><tr><td>Member</td><td>Chang, Chen-Ming Independent Director</td><td>—</td></tr></table>					Title	Name	Related Professional Qualifications	Committee Chairman	Independent Director Zheng, Ying-Bin	Chairman of Long Chen Paper Co., Ltd. who adopted new technologies in resource recycling for the development of environmentally friendly paper products for domestic use. Mr. Cheng has decades of experience and achievements in the circular economy.	Deputy Committee Chairman	President: Hu, Chi-Hong	Has extensive experience in production, sales, and Business management in the plastics industry as the President of both CGPC and CGPCPOL.	Member	Wu,Yi-Gui, Chairman	—	Member	Hsu,Chen-I, Independent Director	—	Member	Chang, Chen-Ming Independent Director	—
Title	Name	Related Professional Qualifications																				
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Member	Hsu,Chen-I, Independent Director	—																				
Member	Chang, Chen-Ming Independent Director	—																				
Note: Statistics as of December 31, 2024.																						
2. Responsibilities: (1) Determine the sustainable development policy.																						

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
<p>(2) Outlining the sustainable development strategy, annual plan, and project plans.</p> <p>(3) Supervising sustainable development strategies, the implementation of the annual plan and project plans, and evaluating the implementation.</p> <p>(4) Reviewing and approving the sustainable development report.</p> <p>(5) Reporting on the implementation of sustainable development activities to the Board of Directors each year.</p> <p>(6) Other matters to be conducted by the committees per Board resolution.</p> <p>3. Implementation Status:</p> <p>1st Meeting</p> <p>(1) Meeting Date: March 5, 2024</p> <p>(2) Committee members in attendance (4 members): Zheng, Ying-Bin, Hsu, Chen-I (attended via video conference), Wu, Yi-Gui, and Lin, Han-Fu</p> <p>(3) Report on the results of the 2023 Sustainability Report and future goals, the progress and planning of 2023 Sustainability Report and sustainability-related activities, the status of the greenhouse gas inventory and assurance of implementation, and the planning of ESG projects.</p> <p>2nd Meeting</p> <p>(1) Meeting Date: May 2, 2024</p> <p>(2) Committee members in attendance (4 members): Zheng, Ying-Bin, Hsu, Chen-I, Wu, Yi-Gui, and Hu, Chi-Hong</p> <p>(3) Report on the results of the 2023 Stakeholder Meeting (including the identity of stakeholders, issues of concern, communication channels and response methods), the status of the greenhouse gas inventory and assurance of implementation, and discussed and passed the amendment of certain provisions of the Sustainable Development Committee Charter.</p> <p>3rd meeting</p> <p>(1) Meeting Date: August 1, 2024</p> <p>(2) Committee members in attendance (5 members): Zheng, Ying-Bin, Hsu, Chen-I, Chang, Chen-Ming, Wu, Yi-Gui, and Hu, Chi-Hong</p> <p>(3) Report on the implementation status of sustainability-related programs in the first half of 2024 and the implementation status of carbon reduction and water conservation projects in 2023, and discussed and approved the completion of the 2023 Sustainability Report.</p> <p>Detailed description: Please refer to the webpage-ESG Committee Minutes (URL: https://www.cgpc.com.tw/ESG/tw/vision.aspx)</p> <p>(II)Implementation of Environmental Protection and Occupational Safety and Health:</p> <p>1. Environmental protection policies:</p> <p>(1) To comply with relevant environmental protection and occupational safety and health regulations and relevant requirements derived from such regulations.</p> <p>(2) To continuously conserve and reuse resources and energy, and reduce industrial waste.</p>				

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
<p>(3) To prevent pollution, reduce potential risks in operations.</p> <p>(4) To continuously provide employees with education and training, and carry out work related to environmental protection and occupational safety and health.</p> <p>(5) To actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in work 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. Since 1998, the company has joined "<u>Republic of China Chemical Industry Responsible Care Association TRCA</u>" and is a member of the regulation committee of the association and participate regularly in regulatory deliberation. Implement in the factory according to TRCA's responsible care management guidelines and report the safety performance indicators annually.</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 has formulated its Waste Management Practices in accordance with the Standards for Defining Hazardous Industrial Waste in order to determine the characteristics of wastes and details such information in the Waste Cleanup Plan before submitting the plan to the competent authority.</p> <p>5. The Company has formulated its Regulations Governing the Management of Recycled and Regenerated Products that specify resource recycling, classification, storage and auction operations, with the purpose of achieving waste reduction and resource recycling and reuse.</p> <p>6. The Environmental Development Department of TVCM (in 2022, Global Green Technology Corporation was established as a wholly-owned subsidiary of TVCM) has used the "Physics + Chemistry + Biology" engineering method developed by GGTC for remediation, with its performance being that the site has been released from restriction:</p> <p>(1) In 2021, we obtained the first certificate from the Environmental Development Department of the Executive Yuan for the remediation of polluted sites: Environmental Development Department affirmed the company's remediation performance - The remediation site of the CGPC Toufen Plant.</p> <p>(2) In 2022, we obtained the second technical certificate from the Kaohsiung Environmental Protection Bureau for the completion of the remediation of the contaminated site: Kaohsiung Environmental Protection Bureau affirmed the remediation performance of the Environmental rectification performance of Sinopec Qianzhen factory control site.</p> <p>(3) Newly developed oil degrading bacteria in 2022: After the soil of the oil contaminated site was acclimatized in the laboratory, the bacteria with degrading function were screened out, and after fermentation and cultivation, toluene and naphthalene degrading genes could be detected, and the function of degrading benzene, toluene, and diesel oil could be used for on-site remediation.</p> <p>(4) In 2023, the Luzhu plant of Ocean Plastics Co., Ltd. successfully passed official verification and received formal documentation confirming its</p>				



Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
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			<p>deregulation. This achievement marked the first completed remediation milestone for GGTC, demonstrating significant progress in environmental management and compliance.</p> <p>The results of the aforementioned remediation projects were formally recognized and acclaimed by scholars and experts from the Environmental Engineering Society and the Environmental Protection Construction Association. Outstanding and meritorious paper awards were presented for these achievements. Additionally, the environmental analysis laboratory received certification from the American Waters ERA for laboratory proficiency, demonstrating its robust inspection and quality control capabilities; Moreover, members of the drilling team successfully passed their exams and obtained the Well Drilling Technician License from the Water Resources Agency of the Ministry of Economic Affairs, further enhancing their professional credentials. In a continued effort to innovate, the team has developed bio-crystal sphere applications for which a patent application is currently pending. Please refer to the ESG Report or website: https://www.cgpc.com.tw/ESG/tw/soil-and-groundwater.aspx</p> <p>7. In 2024, CGPC was awarded the "2023 Outstanding Green Procurement Private Enterprises and Organizations Recognition Ceremony" by the Department of Environmental Protection, Taipei City Government, in recognition of its excellent performance in green procurement. In the same year, TVCM and CGPCPOL were also invited to attend the "2023 Net Zero Green Life Outstanding Unit Recognition Ceremony" organized by the Kaohsiung City Government Environmental Protection Bureau due to their outstanding performance in green procurement, and they received awards. According to statistics, the cumulative green procurement amount for CGPC, TVCM, and CGPCPOL reached a total of NT\$71.45 million by December 31, 2023, with CGPC accounting for NT\$48.52 million, TVCM for NT\$13.91 million, and CGPCPOL for NT\$9.02 million.</p> <p>8. In 2024, CGPC participated in the Net-Zero Transition and Air Pollution Prevention Forum and collaborated with the Miaoli County Government to prevent air quality deterioration, receiving a certificate of appreciation.</p> <p>9. Vinyl Chain's three plants have been working hard to protect the environment, cooperating with the Miaoli County Government's "Air Pollution Seasonal Voluntary Reduction Cooperation Agreement" and the Kaohsiung City Government's Environmental Protection Bureau to promote the "2024 Kaohsiung City Air Purification Zone Management Plan" and signing certificates of appreciation.</p> <p>10. In 2024, CGPC assisted in promoting the "Eliminate Open Burning, Friendly Farming: Liquid Straw Decomposer" project, successfully reducing the burning of agricultural residual resources, and was awarded a corporate certificate of appreciation by Bureau Chief Chen Huasheng of the Environmental Protection Bureau.</p> <p>11. In 2024, CGPC was recognized by the Occupational Safety and Health Administration of the Ministry of Labor and awarded the "2024 Outstanding Enterprise in Corporate Sustainability Reports (publicly evaluating and commending the top 10% performing enterprises in each Capital tier based on occupational safety and security performance)".</p> <p>12. CGPC, CGPCPOL, and TVCM continue to implement ESG development and sign a loan agreement with Chang Hwa Bank, Fubon Bank, The Export-Import Bank of ROC, Bank of China, and other banks for sustainable linkage.</p>	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons		
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<p>13. In 2024, TVCM was awarded the 2023 "Chlorine Emergency Mutual Aid Organization Field Drill Outstanding Performance Trophy" by the Taiwan (R.O.C.) Chemical Industry Responsible Care Association (TRCA). In the same year, it also received the 2023 "National Mutual Aid Organization In-depth Operation Award" from the Ministry of Environment.</p> <p>14. In 2024, CGPC was invited by the supply chain to participate in the CDP questionnaire (achieving a grade of B in Climate Change and B in Water Security).</p> <p>15. In 2024, CGPC was recognized by the Occupational Safety and Health Administration of the Ministry of Labor and awarded the "2024 Outstanding Enterprise in Corporate Sustainability Reports (publicly evaluating and commending the top 10% performing enterprises in each Capital tier based on occupational safety and security performance)".</p> <p>16. In 2024, CGPC Toufen Main Plant obtained the "Certificate of Cleaner Production Assessment System," and in the same year, the adhesive tape factory (machines 41 & 43) was awarded the "Green Building Label Certificate."</p> <p>17. In 2024, CGPC was awarded the 3rd "Net-Zero Industry Competitiveness" Excellence Award by the 21st Century Foundation.</p> <p>18. In 2024, CGPC, TVCM, and CGPCPOL (including the Taipei TP Building) participated in the world's largest voluntary public welfare carbon reduction initiative—Earth Hour's "Lights Off for One Hour."</p>						
(III) Implementation of Energy Conservation and Carbon Reduction:						
1. Energy Conservation and Carbon Reduction Policies:						
<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 (the green procurement plan contains machinery and other products)</p> <p>(2) To demonstrate the Company's commitment toward 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>(4) 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>(5) To implement energy conservation and carbon reduction-related individual job details, integrate the sustainability plan into the KPIs, and continuously provide employees with education and training in order to implement energy conservation and carbon reduction.</p>						
2. Outcomes of Energy Conservation and Carbon Reduction:						
The total annual energy consumption, total greenhouse gas emissions, energy savings and carbon reduction for the past three years are shown in the table:						
Category	Volume of total greenhouse gas emission Scope 1+2 (10,000 tons of CO ₂ e)	Total energy consumption (GJ)	Energy conservation (GJ)	Carbon reduction (Metric tons of CO ₂ e)	Energy conservation rate (%)	Carbon reduction rate (%)
2022	33.6840	4,055,542	102,916	6,461	2.47%	1.88%



Promoting Items		Implementation status (Note 1)						Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
		Yes	No	Summary				
	2023	31.9612		3,988,900	153,867	9,970	3.71%	3.03%
	2024	28.2749		3,583,018	60,404	3,888	1.66%	1.36%

Note 1: For details, please refer to: III. Environmental Issues - Item (4) - Carbon Reduction Pathway Planning Footnote and Volume of Greenhouse Gas Emission Description.

Note 2: Carbon reduction planning, detailed in VIII. Implementation Status of Climate Related Information.

3. The summary of energy conservation and carbon reduction plans is as follows: Please refer to VIII, Implementation Status of Climate Related Information, 2. Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans.

(IV) Implementation of social services and public welfare:

1. The Love and Care Society was established in 1972, with 72 members, 7 visits in 2024, and a total of about 116 visits from 2010 to 2024. CGPC jointly upholds the concept of "spreading love and caring for the society", and exerting the spirit of doing good while keeping pace with others. The Company's Love and Care Society continuously participates in the adoption of poor children organized by the Taiwan Fund for Children and families, and visits the sick, orphanages and old folks' homes from time to time.

2. The Company adopted 500-meter Longfong Fishing Harbor's beach in Zhunan Township since 2017. In September 2024, the 8th meeting (after adoption) beach cleaning activity was held with 208 persons, and 974.2kg of waste were cleaned in total. Since 2017, a total of 1,226 participants have joined, and a total of 4,187.6 kilograms of waste have been removed. In the same year, CGPC cooperated with the government to promote the "Autumn Joint Beach Cleaning" activity and was awarded a certificate of appreciation.

3. The Company participated in the Public Welfare Environmental Protection and Social Services event held by Yungchen Temple in Toufen Township and provided fund sponsorship to the event.

4. The Company has established a volunteer team (about 60 members) to help clean up and maintain the environment around Yungchen Temple, Nantian Street, and Beitian Street since 2010. The number of participants is about 10 to 15 people each time, and a total of about 865 people have participated from 2010 to 2024.

5. The Company adopted streetlamps around its Toufen Plant, and has been carrying out maintenance of these lamps since 2010 to now.

6. In 2024, TVCM and CGPCPOL jointly donated two treadmills to the Linyuan Fire Brigade of the Kaohsiung City Government Fire Department.

7. In 2024, TVCM and CGPCPOL cared for the disadvantaged and helped children with developmental delays.

8. In 2024, TVCM and CGPCPOL participated in the "Taiwan Polyethylene Group Charity Basketball Tournament" to sponsor the Renwu Senior High School bamboo basketball team.

9. In 2024, the Taiwan Polyethylene Group was awarded the Silver Prize for Happy Enterprises 2024.

10. In 2024, TVCM Linyuan Plant (a subsidiary of CGPC) was committed to promoting workplace tobacco hazard prevention and health promotion, and was awarded the "Healthy Workplace Certification Health Activation Mark" by the Ministry of Health and Welfare.

11. In 2024, to promote employee health and cohesion, TVCM, CGPCPOL, and other companies jointly organized the fifth "USI Group Cup Slow-Pitch Softball Tournament," attracting approximately 120 employees to participate. The teams still demonstrated sportsmanship by completing the opening

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ceremony and starting the games in the rain. To support the Jintan Elementary School baseball team, composed of disadvantaged children from the rural areas of Kaohsiung, Plant 5 of the group donated a total of NT\$20 thousand, showing concern for the young baseball players through practical actions.																																											
12. In 2024, CGPC held fitness courses on May 16, June13, and July 18, with course content including "Aerobic Exercise and Cardiovascular Endurance," "Muscle Shaping and Strengthening," and "Flexibility and Stretching," each course lasting one hour, with a total of 64 participants.																																											
13. In 2024, CGPC Toufen Plant aimed to enhance the physical and mental health of colleagues by strengthening health activities and concepts for effective weight loss and fat reduction, specifically organizing the "2024 Weight Management Program."																																											
14. In 2024, CGPC Care Society specially invited the Huayan Development Center to the CGPC Toufen Plant to organize an orchid charity sale. Colleagues enthusiastically participated in this charitable event, with all proceeds from the sale used for various facilities and equipment within the center.																																											
15. USI Group began to hold blood donation activities since 2018 and joined in the blood donation activity of 1,000 people in internal medicine in 2019. Actual and accumulated achievements of blood donation in the past two years are as follows:																																											
<table><tr><th>Item</th><th>Explanation/Date</th><th>2023/2/15 8th term</th><th>2023/8/31 9th term</th><th>2024/02/23 10th term</th><th>2024/08/02 11th term</th></tr><tr><td rowspan="2">Number of blood donation participants:</td><td>Number of participants this Time</td><td>38</td><td>52</td><td>51</td><td>42</td></tr><tr><td>Accumulated participants</td><td>513</td><td>565</td><td>616</td><td>658</td></tr><tr><td rowspan="2">Total blood collection bags: (250cc/bag)</td><td>Number of bags this Time</td><td>53</td><td>74</td><td>81</td><td>65</td></tr><tr><td>Accumulated bags</td><td>753</td><td>827</td><td>908</td><td>973</td></tr><tr><td rowspan="2">Amount of donated blood (c.c.)</td><td>This Time (c.c.)</td><td>13,250</td><td>18,500</td><td>20,250</td><td>16,250</td></tr><tr><td>Accumulated amount (c.c.)</td><td>188,250</td><td>206,750</td><td>227,000</td><td>243,250</td></tr></table>					Item	Explanation/Date	2023/2/15 8th term	2023/8/31 9th term	2024/02/23 10th term	2024/08/02 11th term	Number of blood donation participants:	Number of participants this Time	38	52	51	42	Accumulated participants	513	565	616	658	Total blood collection bags: (250cc/bag)	Number of bags this Time	53	74	81	65	Accumulated bags	753	827	908	973	Amount of donated blood (c.c.)	This Time (c.c.)	13,250	18,500	20,250	16,250	Accumulated amount (c.c.)	188,250	206,750	227,000	243,250
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16. In 2024, CGPC Toufen Plant implemented the concepts of ESG sustainability and social responsibility by bringing together CGPC employees, Toufen Plant of Taita Chemical, and contractors to organize the "Continue Your Love" blood donation event to foster kindness together. The blood donation took place on December 3, 2024 from 13:00 to 16:00, with a Number of Participants of 38 people, donating 59 bags (250cc/bag), for a total blood Volume of 14,750 cc.																																											
17. USI held a Mid-Autumn Moonlight Party on September 10, 2024, uniting colleagues with a sense of home and spending a wonderful and joyful evening together.																																											
18. In 2024, USI Group responded to the 4th Taipei Technology Cup Love the Earth Charity Road Race, organized by the Neihu Technology Park																																											

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
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<p>Development Association. The event aims to promote the concept of energy-saving and carbon-reducing lifestyle and has specially prepared energy-efficient appliances as raffle prizes to raise public awareness of environmental protection and ESG.</p> <p>19. In 2024, USI Group organized the first walking event "USI Walking Together" to cultivate the habit of "walking more and riding less" as a daily routine. Walking more not only helps prevent cardiovascular diseases, promotes gastrointestinal motility, improves vision, enhances metabolism, improves memory and slows down dementia, and releases stress to eliminate fatigue, but it also contributes to the Company's ESG carbon reduction policy, making efforts for the sustainable development of the Earth's environment.</p> <p>20. USI Education Foundation: Based on the business philosophy of "solidity and stability, professional management, pursuit of excellence, and service to the community", USI engages in educational public welfare for the purpose of caring for the underprivileged, remote villages, and the environment and ecosystems, and carries out the following businesses in accordance with relevant laws and regulations:</p> <p>(1) Sponsor education in remote areas.</p> <p>(2) Provide scholarships and grants.</p> <p>(3) Organize lectures, seminars, and other social education activities.</p> <p>(4) Sponsoring schools or educational organizations at all levels to engage in activities such as literature, sports, music, dance, art, and theater.</p> <p>(5) Industry-academia cooperation.</p> <p>(6) Other public welfare educational affairs in accordance with the purpose of the Foundation.</p> <p>The Company supports the development of domestic culture and sponsors disadvantaged education in remote villages through the USI Education Foundation. Through the reform of education in remote villages, the Company provides disadvantaged students with the opportunity to turn their lives around and improves the inequality in education; the Company also establishes long-term partnerships with the community and values and assists in the development of the community's neighborhoods by assisting in the sale of local agricultural products and sponsoring community environmental protection activities, etc., in order to give top priority to the development of the local area and hopefully to achieve mutual prosperity with the community. Please refer to the above (V) Implementation Status of Sustainable Development and Explanations for Any Discrepancies with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" on the ESG website (expected to be updated by the end of August) or the 2024 Sustainability Report.</p> <p>(URL1: https://www.cgpc.com.tw/ESG/tw/index.aspx)</p> <p>(URL2: https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx)</p> <p>VIII. Implementation Status of Climate Related Information</p> <p>1. Risks and opportunities posed by climate change to the Company and the related response measures taken by the Company.</p>				
Item	Implementation Status			

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
<p>1.The Board of Directors and the management of the Company are responsible for the supervision and management of climate-related risks and opportunities.</p> <p>2.Describe how identified climate risks and opportunities affect the business, strategy, and</p>			<p>CGPC, under the supervision of the Board of Directors in climate change management, uses the ESG Committee as the highest governing body for climate management, chaired by an Independent Director. Each year, it reviews the company's climate change strategy and goals, manages climate change risks and opportunities, reviews the implementation status, and reports to the Board of Directors.</p> <p>The below summarizes the information from each relevant work meeting:</p> <ol style="list-style-type: none"> 1.Management Conference: The Chairman of the Board of Directors shall act as the chairman of the conference to promote and plan major energy saving and carbon reduction policies and report results. 2.The highest-level unit in the implementation of energy management in USI, and it reports to the Group's Chairman every quarter on the planning and progress of implementation for decision making. 3.Group Green Electric Team: It is the main unit in charge of the promotion of green power for the USI Group, which shall report the green power development progress and future plan with the Chairman of the Board of Directors. 4.Other functional committees under the Board of Directors, such as the Audit Committee, submit the Risk Management Team's identification results to the Board of Directors. The Risk Management Team annually identifies the risks posed by global climate change, energy, and related financial and taxation issues. <p>In view of the increasing global emphasis on related issues such as Environmental risks (E), Society (S), and Governance (G), The Company, based on the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" issued by the Financial Supervisory Commission, is promoting the phased disclosure of greenhouse gas inventory and assurance information for listed companies to build corporate greenhouse gas inventory capabilities, among other initiatives. The Company has completed the inventory and assurance operations for the consolidated financial statements of the parent and subsidiary companies, with each year's report specifically promoting various measures, with suggestions provided by the Directors.</p> <p>In addition to continuously improving corporate governance effectiveness, the Company is prudently planning and executing strategies to achieve carbon reduction goals and develop green electricity strategies. Through the application of AI technology, the Company manages more efficiently to help reduce problems and risks, aiming to meet international standards and achieve the grand goal of corporate sustainable development.</p> <p>In 2023, a questionnaire survey was conducted among the ESG Committee and senior unit executives to assess the relevance and timing of each risk to the company's operations, as well as the development and implementability of each opportunity. 21 questionnaires were returned, and after statistical analysis by the team, 12 significant climate issues were identified (2 physical risks, 4 transformation risks, and 6 opportunity issues).</p>	

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finances (short, medium, and long term) of the organization.		CGPC targeted 12 major risks and opportunity projects. Its evaluation of potential financial impacts and formulation of response strategies and management mechanisms grasp the possible impacts of climate change in various aspects, minimize the possible operational impacts of extreme weather, and establish a resilient climate change culture.																							
						Climate-related risk items are categorized into 3 zones according to the duration of the impact; short-term (< 3 years), medium-term (3-7 years), and long-term (> 7 years), while climate-related opportunity items are categorized into 5 levels according to the impact on the company's development and technical feasibility, and the relevant responses are listed in the table below:																			
		<table><tr><td>Type</td><td>Item</td><td>Period of occurrence</td></tr><tr><td rowspan="2">Physical Risk</td><td>Flooding</td><td>Mid-term (3 -7 years)</td></tr><tr><td>Drought</td><td>Mid-term (3 -7 years)</td></tr><tr><td rowspan="4">Transformation risks</td><td>Carbon fee</td><td>Short-term (< 3 years)</td></tr><tr><td>Renewable Energy Regulation - Risk of Large Electricity Consumption Clause</td><td>Short-term (< 3 years)</td></tr><tr><td>Low carbon technology transition</td><td>Short-term (< 3 years)</td></tr><tr><td>Rising costs of raw materials</td><td>Short-term (< 3 years)</td></tr></table>							Type	Item	Period of occurrence	Physical Risk	Flooding	Mid-term (3 -7 years)	Drought	Mid-term (3 -7 years)	Transformation risks	Carbon fee	Short-term (< 3 years)	Renewable Energy Regulation - Risk of Large Electricity Consumption Clause	Short-term (< 3 years)	Low carbon technology transition	Short-term (< 3 years)	Rising costs of raw materials	Short-term (< 3 years)
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■ Potential financial impact and response measures of risk and opportunity item																									
<table><tr><td>Issues</td><td>Category</td><td>Description of Risks and</td><td>Potential Financial Impacts</td><td>Vinyl Chain Response Measures</td></tr></table>			Issues	Category	Description of Risks and	Potential Financial Impacts	Vinyl Chain Response Measures																		
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		Yes	No	Summary	
				Opportunities Item	
		Flooding	Physical Risk/Chronic	<p>According to the Water Resources Department, if 500mm of rain falls within 24 hours, it is estimated that 0 ~ 1 meter of flooding will occur in the near future (2016~2035) and last for 1 day. As a result of the above impact of heavy rainfall/flooding, the plant will be shut down due to flooding, which will result in a decrease in turnover.</p>	<p>Increase in operating costs:</p> <p>1. Toufen Plant invested approximately NT\$12.11 million for the reconstruction of the obsolete storm drains.</p> <p>2. Construction of flood prevention and drainage measures for VCM's Linyuan Plant amounted to approximately \$5.0 million.</p> <p>1. Flood prevention measures at the CGPC Toufen Plant:</p> <p>(1) Ditch Maintenance: The Engineering Department conducts regular inspections and cleaning of the factory ditches to ensure smooth drainage.</p> <p>(2) Flood Preparedness: Prepare sandbags during typhoon warnings, and the plant has an adequate Volume of flood prevention materials.</p> <p>(3) Drainage improvement: The Toufen Main Plant has completed the reconstruction of two outfalls, enhancing drainage efficiency; the second phase of reconstruction will be reviewed and planned in conjunction with the polymerization reactor replacement and renewal project.</p> <p>2. Flood prevention measures for the TVCM plant: Installation of storm water interceptor tanks to provide natural overflow from the gutter to the outside of the plant after 30 minutes of heavy rainfall, during which time the rainwater is collected and stored in the storm water interceptor tanks and pumped to the wastewater treatment plant.</p> <p>Note: CGPC Toufen Plant was counseled by the Green Council in 2023 to conduct a TCFD situation analysis, which assessed the "Flooding and Inundation" item as a non-significant risk with a long term occurrence period.</p>
		Drought	Physical Risk/Chronic	<p>1. Taking 1986~2005 as the base period, the recent climate conditions (2016~2035), the maximum number of consecutive days</p>	<p>Increased capital expenditure, increased cost of revenue:</p> <p>1. Drying centrifuge wastewater recovery system (HBF) project invest about NT\$92.83 million.</p> <p>2. The total project cost for</p> <p>1. Continuously monitor water conditions and implement water conservation Strategy: Continuously monitor internal and external water conditions, and implemented water conservation measures such as "increasing the amount of HBF recycled water used" and "increasing the concentration of cooling water towers to reduce the</p>



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					without rainfall is 50~58 days per year, and water shortage or drought may occur. 2. In response to climate anomalies, water restrictions or water shortages in the plant area may result in serious reductions in production or complete shutdowns of production lines.	the construction of water storage tanks is approximately NT\$21 million.	amount of replenished water" to optimize water use efficiency. 2. Improvement of Water Recovery Rate: Actively promote water improvement programs to strengthen the water recovery rate R2, aiming for the sustainable use of water resources. 3. Rainwater recycling and water storage facilities construction: CGPC's building materials plant has implemented rainwater recycling and reuse and has built a 1,500-ton tap water storage tank to enhance water storage capacity. 4. Annual Water Saving Results: In 2024, CGPC and CGPCPOL's HBF saved 458.3 million liters of water per year; CGPC plans to apply for a preferential water consumption fee inspection in 2025; the water recovery rates (R2) of the three plants from 2022 to 2024 were 81.3%, 80.8%, and 81.1% respectively (all achieved the goals).
		Carbon fee	Transformation Risks/Policies and Laws	The Ministry of Environment announced the carbon fee rate on October 23, 2024, and stipulated that starting from January 1, 2025, a carbon fee will be levied on large carbon emitters with annual emissions exceeding 25,000 tons.	High input cost in the early stage, low carbon emissions in the later stage, and reduced operating costs: Assuming that the carbon fee is based on a price of NT\$100 per ton of CO ₂ e and an exemption of 25,000 tons of CO ₂ e: 1. CGPC and TVCM are actively pursuing autonomous reduction plans in 2025, and at the preferential price of NT\$100, the estimated carbon fee for 2024 is NT\$19.39 million, accounting for approximately 0.17% of 2024 combined revenue. 2. In 2024, Vinyl Chain implemented a number of	1. CGPC evaluated the use of internal carbon pricing as a shadow price, and included carbon costs in its investment considerations to increase the chances of implementing carbon reduction projects. 2. We are actively implementing carbon reduction programs, such as equipment retirement and replacement, manufacturing process improvement, and heat recovery. 3. AI intelligence was introduced into the factory, and the distillation tower was introduced into the AI model to find out the optimal operating conditions and reduce steam consumption per unit of product. 4. CGPC and TVCM obtained greenhouse gas offset project credits, with the 1st meeting approving 7,464 tons of CO ₂ e. The 2nd meeting is expected to apply for a reduction credit of 22,028 tons of CO ₂ e in the second half of 2025. The two applications total a carbon reduction benefit of NT\$103.22 million (calculated at NT\$3,500 per ton). 5. In 2025, the plant evaluated and proposed its own	

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					carbon reduction projects, reducing carbon emissions by 3,888 tons, with a carbon reduction benefit of NT\$390,000.	reduction plan to strive for preferential rates and carbon fee deduction from the reduction quota.	
		Renewable Energy Regulation - Risk of Large Electricity Consumption Clause	Transformation Risks/Policies and Laws	The Ministry of Economic Affairs (MOEA)'s "Regulations on the Installation of Renewable Energy Power Generation Facilities for Electricity Consumers with Contracted Capacity Above a Certain Amount" came into effect in 2021, requiring large power users with contracted capacity of 5,000 kW or more to install renewable energy facilities with a contracted capacity of 10% of the total capacity by the end of the 2025.	Increased capital expenditures: The Company has invested NT\$100 million to install a solar energy system with a capacity of 2.12 MW on the rooftop of the plant. However, due to fire damage in 2024, the solar energy system's capacity was affected by 0.24 MW, necessitating a revision of the plan to meet the renewable energy installation requirements for large electricity users by 2025.	Toufen Main Plant has installed 1.88MW of solar energy capacity on the roof.	
		Low carbon technology transition	Transition Risks/Energy, Technology	Investing in low-carbon technology development, such as energy transformation, efficiency improvement, and fuel substitution, in order to reduce carbon emissions increases the cost of technology investment.	Increased capital expenditures, reduced operating costs: 1. Vinyl Chain invested approximately NT\$45.81 million in energy saving and carbon reduction projects in 2024, reducing carbon emissions by 3,888 tons of CO ₂ e. 2. In 2024, Vinyl Chain's self-assessment and procurement of government-approved green products amounted	1. Vinyl Chain three plants have obtained ISO 50001 energy management system verification. 2. Continued to implement energy-saving and carbon reduction equipment improvement programs, such as: retirement and replacement of old equipment, heat recovery, introduction of the AI energy-saving program, and energy-saving coating for cracking furnaces. 3. In 2019, the Company started to implement a green procurement program, and have applied for projects online, mainly purchasing green products as energy-saving equipment. 4. Invested in energy-saving equipment (e.g., pumps, motors, IE3 high-efficiency induction motors, inverters, gas boiler burners, LED light bulbs,	



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					3. Vinyl Chain's 2024 project to retire and replace old water dispensers cost about NT\$3.25 million.	5. Due to the electricity price increase by Taipower on October 16, 2024, the core production Plant 3 will incur an additional NT\$97.07 million per year compared to before the increase. Efforts will be actively made to invest in low carbon technology transition to mitigate the impact of the electricity price hike.	
		Rising costs of raw materials	Transformation risks/markets	Under the consideration of carbon tax in the future, the cost of raw materials will be added to the cost of carbon emissions, and the price will increase.	Increase in operating costs: Due to inflation and uncertainty about the future economy, the global price of ethylene has declined. In order to strengthen vertical integration up and down the industrial chain and flexibly adjust production and marketing planning, CGPC has built new ethylene storage tanks, and TVCM has added additional storage tanks at our intercontinental terminals as a buffer against drastic changes in the market, with a total cost of approximately NT\$3.5 billion for the construction.	1. Promote circular economy: recycling and reuse of raw materials. For example, the amount of pipes recycled by the Building Materials Plant in 2024 was 2,367 tons, with the recycling rate accounting for 14.5% of the 2024 pipe production. 2. Vertical integration strategy from purchasing, production, and sales and regular review of raw material and finished product inventories in response to changes in the market, and rolling review of inventory changes, projects: (1) TVCM Construction of ethylene, vinyl chloride and ethylene dichloride storage tanks at the Intercontinental Terminal. (2) New VCM storage tanks at the CGPC Toufen Plant. Ensure flexible production and sales scheduling of major raw materials.	
		High efficiency production	Opportunities/r esource efficiency	Enhanced overall production efficiency and reduced energy consumption through AI intelligent production, industrial motors, automatic packaging and other production tools.	Increased capital expenditures, reduced operating costs: 1. Taking the #5 dryer optimization project as an example, the company has invested about NT\$4.15 million, with cost savings of about NT\$1.13 million in 2023. 2. Taking the #7 dryer optimization project as an	Introduction of AI for intelligent management (see Note in Chapter 3.6 of the 2024 ESG Report) 1. AI intelligent control is introduced into the manufacturing process, optimizing operating conditions through modeling. The #5 and #7 dryers are expected to cumulatively save 2,896 tons of steam annually and reduce carbon emissions by 401 tons of CO ₂ e each year. 2. Combined with Image Recognition (AOI), the system is used for the thermal image recognition of electrical disks and the safety system of forklift	

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					example, the company has invested about NT\$1 million, with cost savings of about NT\$1.9 million in 2024.	3. sensing to enhance the safety of the operating environment. Taking the 35-ton boiler as an example, in 2023 it saves 460,504 kWh of electricity, 1,400,000 M³ of natural gas, 3,138.5 tons of CO₂e, and NT\$15.45 million in costs. 4. In 2024, the VCM tower (C-6203) AI energy-saving project is expected to save 1,920 tons of steam, 4,349 GJ of energy, and reduce carbon emissions by 260 tons of CO₂e, with an investment amount of NT\$2 million.
		Recycling and Reuse - Circular Economy	Opportunities/resource efficiency	According to the three principles of circular economy (3R): Reduce, Reuse and Recycle. Reduced waste disposal costs, or raw material usage.	Increase in operating costs: 1. Invested approximately NT\$800,000 in 2023 GRS Global Recycling System certification program. 2023 Recycled TPE leather for end products invest about NT\$500,000. 2. In 2023, the TPO aquaponics pool cloth project invested about NT\$800,000. 3. In 2024, the investment in TPU foam material was approximately NT\$500,000; the investment in TPO infant car seat leather was about NT\$300,000.	1. Since 2021, CGPC's building materials factory has been collecting various in-plant recycled and recovered materials and recycled PVC powder, and purchased recycled rubber granules, putting them into production and re-manufacturing into new products for sale. By 2024, the accumulated recycling quantity was approximately 9,668 tons, and the recycling rate reached 14% in 2024. 2. The proportion of recycled plastics used in CGPC TPE environmental protection leather products reached 30~60%, which was certified by GRS Global Recycling System. 3. The small bags of the PVC Toufen Plant are converted to hot melt PE bags, which can be 100% processed and recycled. 4. In 2024, the TPO aquaponics pool cloth has been converted into a formal order with a sales volume of 41 tons.
		Reduce water consumption and water consumption	Opportunities/resource efficiency	Water is an irreplaceable resource in the manufacturing process. Reducing water leakage and increasing the proportion of water recycling in the factory saves operating costs and	Increased capital expenditures, reduced operating costs: Drying centrifuge wastewater recovery system (HBF) project invest about NT\$92.83 million.	1. Rainwater recycling and utilization: CGPC's building materials plant has built a rainwater recycling device that stores about 5 tons of rainwater for factory area irrigation and toilet flushing, effectively reducing tap water usage. 2. Process Water Recovery System (HBF) and Optimization: The CGPC Toufen Plant and CGPCPOL Linyuan Plant have installed drying



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				enhances the resilience of the factory.		centrifuge process water recovery systems (HBF) utilizing biological treatment and COD adsorption technologies. The CGPC Toufen Plant has completed the addition of filter tanks and pre-treatment processes to enhance the cooling water recovery rate. The water savings in 2024 reached 458 million liters. 3. Condensate Reuse: TVCM's Linyuan Plant recycles process steam condensate for use in cooling water towers, reducing the need for additional cooling water.	
	Usage of low-carbon energy sources		Opportunities/ Resilience, energy sources	Promote coal-to-gas conversion, increase the proportion of renewable energy use, reduce carbon costs, reduce product carbon footprint, and enhance corporate image and brand value.	Increased capital expenditures and reduced carbon fees: CGPC and TVCM's natural gas boiler energy-saving improvement project, investment cost about NT\$63 million, with total savings of NT\$20.36 million in natural gas and electricity costs in 2024.	1. The addition of a 30-ton day gas boiler at the Toufen Plant was completed in October 2023, saving 1,235,889 NM³/year of natural gas and reducing carbon emissions by 2,345 tons of CO₂e/year. 2. Since 2021, the company has been promoting the conversion of coal-fired boilers to natural gas boilers, and plans to switch to natural gas by 2025, with an estimated carbon reduction of 16,000 tons of CO₂e. 3. The optimization and improvement project of the 35-ton steam boiler at TVCM's Linyuan Plant was completed in July 2023. After the boiler optimization, it will save 1,320,000 NM³/year of natural gas in 2024. The conversion of the windmill to inverter control will save 460,504 kWh of electricity/year, with a total carbon reduction of 2,973 tons of CO₂e/year.	
	R&D and innovation for the development of new products and services-the development of the		Opportunities/p roducts and services	R&D is oriented toward circular economy, low carbon, and energy-saving product development. The Company invest in technology from the perspective of the complete life cycle of	Increased R&D Expenses increased operational costs: 1. In 2023, the Company obtained the GRS Global Recycling System certification program, which can enhance our corporate image, obtain	Continuously develop new recycled products, such as: 1. Adopting post-consumer TPO or industrial waste TPU, through the extension process and post-consumer recycled PET bottles into polyester non-woven fabrics (base fabrics) to conform to the environmentally friendly synthetic leather, the proportion of recycled plastics used reaches 30~60%, and obtains the certification of GRS Global Recycling System.	



Promoting Items		Implementation status (Note 1)					Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
		Yes	No	Summary			
		low-carbon and energy-saving products		products and services, and develop low-carbon products.	brand certification, and increase market competitiveness, with an investment of approximately NT\$800,000. In 2024, the investment in TPU foam material was approximately NT\$500,000. 2. In 2023, the Company invested about NT\$500,000 in the project of anti-bacterial and anti-mold rubber skin made from bio-shell powder. 3. In 2024, the low-carbon TPO single material leather project invested approximately NT\$500,000.	2. The use of discarded oyster shells through high temperature forging and grinding into oyster shell powder, a natural material, instead of synthetic antimicrobial agents, applied to artificial leather, the impact of pollution on the environment can be minimized, and tested and certified to have the effect of antibacterial and mold proof. 3. Sports shoes, backpacks, and other products made of 100% single material TPO can be directly shredded at the end of their lifecycle and reused as recycled materials, achieving the goals of recycling.	
		Make good use of public sector incentives	Opportunity/Market	Utilizing government incentives to reduce investment costs, adopt new technologies, and enhance competitiveness.	Increased capital expenditures, increased revenue: 1. Toufen Plant was selected as a TCFD demonstration manufacturer by the Green Council. 2. Toufen Main Plant was selected as a mentor factory by the Taiwan Productivity Council and applied for Cleaner Production + Green Building, with an investment of approximately NT\$1.5 million. 3. Low-interest application items:	1. CGPC arranged five counseling sessions in 2023 TCFD to estimate the future situations of "flooding, drought, and high temperature" for the three types of climate disasters from 2016 to 2035, based on the RCP 8.5 situation. Transformation risks refer to the IEA, with the scenario set as "future global temperature rise of 1.5°C" to allow for early planning of medium and long-term strategies. This enables the company to grasp risks and opportunities more accurately, and share the experience of implementing TCFD with various industries in 2024. 2. CGPC applied in 2023 and arranged five counseling sessions, with paperwork sent for review in December. In 2024, it obtained the "Cleaner Production Assessment" and "Green Building Label." 3. With government subsidies and low interest loans, the Company was able to effectively reduce costs and have sufficient funds to meet our operational needs.	

Promoting Items		Implementation status (Note 1)					Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
		Yes	No	Summary			
3. Describe the financial impacts of extreme climate events and transition actions.					(1) CGPC's Application Projects: Rooted in Taiwan Enterprises - Automatic Storage, Taiwanese Businesses Returning to Taiwan - VCM Storage Tanks. (2) TVCM: SME - Intercontinental Phase II Project. Received government support in 2024, with low-interest project items amounting to approximately NT\$20.77 million. 4. The total amount of government subsidy in 2024 was NT\$18.56 million	4. The government subsidy in 2024 (1) Domestic investment interest subsidy NT\$9.6 million. (2) Occupational Safety and Health Administration, Ministry of Labor NT\$ 29. (3) Bureau of Energy, Ministry of Economic Affairs NT\$ 758. (4) Labor Insurance Bureau, Ministry of Labor NT\$30,000. (5) Department of Labor, Ministry of Labor, Tao Chu Miao Branch Office NT\$110,000. Bureau of Foreign Trade, Ministry of Economic Affairs NT\$ 960,000.	
	<p>Note: The above scope includes Vinyl Chain's three plants.</p> <p>■ The financial impacts of extreme climate events.</p> <p>CGPC, based on TCFD recommended guidelines, conducted future scenario settings for physical risks and transformation risks to analyze potential future impacts and opportunities the company may face, and incorporated the results into the strategy resilience assessment.</p> <p>Physical risk refers to the estimation of future long-term climate change and potential climate risks based on the "Taiwan Climate Change Key Indicators Atlas: AR6 Statistical Downscaling Version" published by the Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform (TCCIP) in June 2023, and the "Climate Change Disaster Risk Map" published by the National Center for Disaster Prevention and Relief Technology. The IPCC AR6 adopts scenarios combining Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). CGPC has chosen the SSP 5 - 8.5 emission scenario (extreme volume of greenhouse gas emissions, with carbon dioxide emissions doubling around 2050) for future scenario analysis of climate disasters such as "high temperature," "flooding," and "drought."</p> <p>Under the RCP 8.5 scenario, the number of typhoons affecting Taiwan is projected to decrease by about 15% during</p>						

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
4. Describe how the process of identifying, assessing, and managing climate risk is			<p>the middle of the 21st century (2040-2065) and 55% by the end of the century (2075-2099); the proportion of severe typhoons will increase by approximately 100% and 50%; the maximum wind speed will increase by about 4% and 8%; and typhoon rainfall will increase by about 20% and 35%. Although the number of typhoons affecting Taiwan is expected to decrease in the future, there will be a greater threat from more intense typhoons. The Company needs to enhance disaster preparedness and improve disaster resilience to minimize the losses caused by typhoons.</p> <p>■ Impact of transformational actions on financial performance.</p> <p>The impact of transformational actions on corporate finance is mainly reflected in the cost and investment adjustments brought about by changes in policies and regulations, technological transformations, and market demand shifts. The newly established government regulations on water consumption fees and Carbon fees will directly lead to an increase in operating costs for businesses; for example, water consumption fees increase by approximately NT\$450,000 annually, while Carbon fees increase by approximately NT\$19.39 million annually. In addition, the Large Electricity Consumption Clause requires enterprises to increase the proportion of renewable energy and energy-saving rates, which will also increase the capital expenditure on green electricity procurement and equipment updates. However, by actively investing in low carbon technology transition, such as energy efficiency improvement, equipment replacement, and wastewater recovery system upgrades, companies face higher initial capital expenditures but benefit from reduced operating costs and risks in the long term. Overall, companies must anticipate short-term cost increases during the low-carbon transition, but by actively adopting countermeasures, they can enhance their medium- to long-term competitiveness and ESG capabilities.</p> <p>To enhance the management philosophy of integrity and ensure the stable operation and sustainable development of the company, thereby reducing potential operational risks, in 2020, CGPC's Board of Directors approved the Risk Management Policy and Procedures. This enables Directors to accurately assess and supervise various existing or potential risks of the company. Each responsible functional department conducts timely assessments and rolling adjustments based on the latest international economic developments, ESG regulations, and risk opportunity assessment management methods. The project secretary of the Audit Committee reports at least once a year to the Audit Committee and the Board of Directors on the risk management operations for the current year, allowing them to understand the risks the company faces and subsequently provide more specific recommendations for the company's operational strategies.</p> <p>In response to the intensification of global climate change, CGPC has continued to adopt the TCFD framework to deepen the risk programs that may be faced under extreme climate conditions and to grasp new business opportunities. Referring to the Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform (TCCIP) and the</p>	



Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
<p>integrated into the overall risk management system.</p> <p>5.If scenario analysis is used to assess the resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts.</p>			<p>National Center for Disaster Prevention and Relief Technology, scenarios based on RCP 8.5 for 2016-2035 estimate temperature rise, rainfall, inundation, and drought situations, listing three physical risk issues; also according to the group's strategy, industry characteristics, country-specific intended nationally determined contributions (INDC), and TCFD indicators.</p> <p>Based on the nature of risk and opportunity factors, risks are categorized into physical risks and transformation risks. Physical risks include: flooding, drought, and high temperatures; transformation risks include: policies and regulations, goodwill, technology, and market; opportunities encompass four aspects: resource efficiency, energy sources, products and services, and market.</p> <p>Physical risk refers to the estimation of future long-term climate change and potential climate risks based on the "Taiwan Climate Change Key Indicators Atlas: AR6 Statistical Downscaling Version" published by the Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform (TCCIP) in June 2023, and the "Climate Change Disaster Risk Map" published by the National Center for Disaster Prevention and Relief Technology. The IPCC AR6 adopts scenarios combining Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). CGPC has chosen the SSP 5 - 8.5 emission scenario (extreme volume of greenhouse gas emissions, with carbon dioxide emissions doubling around 2050) for future scenario analysis of climate disasters such as "high temperature," "flooding," and "drought."</p> <p>Transformation risks are referenced from the World Energy Outlook (WEO) published by the International Energy Agency (IEA) in 2021. The report divides different scenarios based on energy trends and climate policies into three categories: STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net Zero Emissions Scenario). Among them, NZE assumes that all countries will achieve net zero emissions by 2050, representing the scenario with the most aggressive reduction measures. In addition, the "Pathway and Strategy for Taiwan's 2050 Net Zero Emissions Note" issued by the National Development Council in 2022 is also referenced, responding to the national carbon reduction pathway and ensuring that CGPC maintains resilience for sustainable operations under the impact of extreme climate change.</p> <p>CGPC is advancing energy conservation and carbon reduction projects to minimize energy, water resource consumption, and waste production within its operations and supply chain, thereby lessening climate impact. By enhancing energy efficiency, investing in green energy equipment, and committing to the development and innovation of green products, the Company effectively manages and addresses the aforementioned transformational and Physical Risks,</p>	

Promoting Items		Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
		Yes	No	Summary	
	<p>6.If there is a transition plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage entity risks and transition risks.</p> <p>7.If internal carbon pricing is used as a planning tool, the basis for setting the price. °</p>			<p>creating more business Opportunities and meeting market demands. However, the implementation of the project will also lead to an increase in CGPC's capital investment and operating costs, which will impact the Company's financial performance.</p> <p>CGPC uses 2017 as the base comparison year for identifying greenhouse gas emissions indicators and goals. Please refer to Note 9 for details. The indicators and goals for identifying and managing physical risks and transformation risks are as follows:</p> <ol style="list-style-type: none"> 1. CGPC Company set the energy management goals under the Group's carbon reduction goals with 2017 as the base year to reduce the carbon emission by 27% in 2030 and carbon neutral goal in 2050. 2. Climate Response Strategy: Short-term (<3 years) involves replacing outdated equipment, enhancing energy efficiency, establishing solar power generation equipment, implementing green procurement, formulating water and drought response measures, and reducing the impact of carbon fee levies; Medium-term (3-5 years) carbon reduction strategy focuses on low-carbon energy transformation, intelligent monitoring, and renewable energy installation and use; Long-term (>5 years) carbon reduction strategy continues to focus on low-carbon fuels, carbon capture and reuse technologies, and negative carbon emission technologies. 3. Greenhouse gas emissions are exposed: The Scope 1, Scope 2, and Scope 3 emission data are disclosed in the sustainability report every year, and review of the reasons for the increase or decrease is conducted regularly. <p>On August 29, 2024, our country announced the implementation of three sub-laws of the Carbon fee, and on October 21, announced the Carbon fee rates. Starting in 2025, emission volumes will be officially included in the carbon fee calculation, ushering in an era where carbon has value. In order to respond to the government's policy in advance, effectively cope with climate change and minimize carbon risk, The Company introduced an internal carbon pricing system in 2024, with a price of NT\$300 per ton of carbon based on the domestic carbon fee pricing benchmark. The price will be reviewed and gradually increased in phases. This system primarily integrates carbon costs into the enterprise's decision-making and investment evaluation processes, assesses the impact of carbon emissions on business operations, accelerates the implementation of carbon reduction measures, and drives low-carbon investments. In July 2024, the Company organized two education and training sessions to help relevant units understand the concepts and applications of internal carbon pricing and assist factories in implementing them swiftly. In September, a carbon-related general education course was conducted, widely inviting Group colleagues to participate, aiming to enhance the carbon reduction awareness</p>	

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
8.If climate-related goals are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be provided; if carbon credits or renewable energy certificates (RECs) are used to achieve the goals, the source and amount of carbon reduction credits or the amount of RECs should be provided.			and professional capabilities of all employees, collectively working towards achieving carbon reduction goals. To strengthen the Company's resilience in facing climate risks, CGPC set the 2030 carbon reduction goals as "Reduce carbon emissions by 27% in 2030 compared to 2017" in 2022, and further established "2050 Carbon Neutral" as the long-term corporate goal in 2023. In addition, to assess its ability to cope with climate risks, the Company refers to the TCFD framework issued by the Financial Stability Board (FSB) in 2015, analyzing the climate risks and opportunities faced by the Company under high volumes of greenhouse gas emissions. It formulates mitigation and adaptation strategies, initiates various carbon reduction actions, and sets short, medium, and long-term greenhouse gas reduction goals to reduce potential financial impacts and achieve the company's sustainable operation goals. CGPC followed the Group's carbon reduction planning pathway, and the volume of greenhouse gas emission in 2024 (combined subsidiaries) has decreased by 31% compared to the baseline year (2017). In the future, we will actively implement energy saving and carbon reduction programs. The medium-term carbon reduction strategy will focus on low-carbon energy transformation, energy efficiency improvement, intelligent monitoring, and renewable energy installation and use. The long-term carbon reduction strategy will continue to focus on low-carbon fuels, carbon capture and reuse technologies, and negative carbon emission technologies to achieve carbon neutrality goals and transition to a low-carbon economy. Please refer to Note 9, sections 1-2, for details on the planning period for the reduction of greenhouse gas emissions and the annual progress of achievements.	
9.Greenhouse Gas Inventory and Confirmation Situation and Reduction Targets, Strategies and Specific Action Plans (fill in 1-1 and 1-2, respectively).			Please refer to Note 1-1-1 Greenhouse Gas Inventory Information and 1-1-2 Greenhouse Gas Confirmation Information.	
1-1.Greenhouse Gas Inventory and Confirmation Situation in the Last Two Years				
1-1-1. Greenhouse Gas Inventory Information				
Describe the greenhouse gas emissions for the last two years (in metric tonnes of CO ₂ e), emission intensity (metric tonnes of CO ₂ e per NT\$ million), and the scope of the data.				
1. The parent company's individual inventory should start from 2025.				

Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons																																										
	Yes	No	Summary																																											
2. The combined financial report subsidiaries should start inventory from 2026. The greenhouse gas emission data of CGPC for the last two years:																																														
<table><tr><th>Year</th><th colspan="2">2023</th><th colspan="2">2024</th></tr><tr><th>The Company</th><th>Volume of emissions (CO₂e)</th><th>Intensity (ton CO₂e/turnover NT\$1 million)</th><th>Volume of emissions (CO₂e)</th><th>Intensity (ton CO₂e/turnover NT\$1 million)</th></tr><tr><td>Scope 1 (direct greenhouse gas emissions)</td><td>29,661</td><td rowspan="3"></td><td>22,462</td><td rowspan="3"></td></tr><tr><td>Scope 2 (indirect greenhouse gas emissions)</td><td>75,219</td><td>68,197</td></tr><tr><td>Subtotal</td><td>104,880</td><td>90,659</td></tr><tr><td>The combined financial report subsidiaries</td><td>Volume of emissions (CO₂e)</td><td>Intensity (ton CO₂e/turnover NT\$1 million)</td><td>Volume of emissions (CO₂e)</td><td>Intensity (ton CO₂e/turnover NT\$1 million)</td></tr><tr><td>Scope 1 (direct greenhouse gas emissions)</td><td>121,646</td><td rowspan="3"></td><td>113,793</td><td rowspan="3"></td></tr><tr><td>Scope 2 (indirect greenhouse gas emissions)</td><td>93,086</td><td>78,335</td></tr><tr><td>Subtotal</td><td>214,732</td><td>192,128</td></tr><tr><td>Total</td><td>319,612</td><td>23.32</td><td>282,787</td><td>25.51</td></tr></table>					Year	2023		2024		The Company	Volume of emissions (CO ₂ e)	Intensity (ton CO ₂ e/turnover NT\$1 million)	Volume of emissions (CO ₂ e)	Intensity (ton CO ₂ e/turnover NT\$1 million)	Scope 1 (direct greenhouse gas emissions)	29,661		22,462		Scope 2 (indirect greenhouse gas emissions)	75,219	68,197	Subtotal	104,880	90,659	The combined financial report subsidiaries	Volume of emissions (CO ₂ e)	Intensity (ton CO ₂ e/turnover NT\$1 million)	Volume of emissions (CO ₂ e)	Intensity (ton CO ₂ e/turnover NT\$1 million)	Scope 1 (direct greenhouse gas emissions)	121,646		113,793		Scope 2 (indirect greenhouse gas emissions)	93,086	78,335	Subtotal	214,732	192,128	Total	319,612	23.32	282,787	25.51
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<p>Note 1: The inventory calculations for 2023 and 2024 are conducted using the ISO 14064-1:2018 standard.</p> <p>Note 2: In 2024, if the proportion of carbon emissions at the inventory locations does not exceed 5% of the total emissions, and there are no major operational changes, the emission data from the first year (2023) will be used for calculation. The applicable locations include the CGPC and TVCM Taipei offices, Grand Pacific Green Technology Co., Ltd., CGPC America Corporation, Continental General Plastics (Zhongshan) Co., Ltd., and CGPC (BVI) Holding Co., Ltd.</p> <p>Note 3: ISO 14064-1 version, for other notes, please refer to: (V) Implementation Status of Sustainable Development and Explanations for Any Discrepancies with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" III. Environmental Issues, Item (4) - Carbon Reduction Pathway Planning Footnote.</p> <p>Above detailed description, please refer to Chapter 5 of the 2024 ESG Report, URL as follows: https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx</p> <p>Note 1: Direct Emissions Scope 1: Direct emissions from sources owned or controlled by the company, Indirect Energy Emissions Scope 2: Indirect GHG emissions from imported electricity, heat or steam, and Other Indirect Emissions Scope 3: Emissions from the company's activities that are not indirect energy emissions and come from sources owned or controlled by other companies.</p> <p>Note 2: The scope of information on direct emissions and indirect energy emissions shall be handled in accordance with the schedule set forth by the order under Article 10, Paragraph 2 of these Guidelines, while information on other indirect emissions may be disclosed on a voluntary basis.</p>																																														



Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																										
	Yes	No	Summary																											
Note 3: Greenhouse Gas Inventory Standards: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).																														
Note 4: The intensity of GHG emissions can be calculated per unit of product service or turnover, but at least the data should be stated in terms of turnover (NT\$ million).																														
1-1-2. Greenhouse Gas Confirmation Information																														
Description of the most recent two-year assurance situation as of the printing date of the annual report, including the scope of the assurance, the assurance organization, the assurance criteria, and the opinion of the assurance.																														
1. The parent company's individual assurance should start from 2027.																														
2. The combined financial report subsidiaries should start assurance from 2028.																														
The following is an explanation of the assurance situation of the greenhouse gas inventory for the Company and all subsidiaries in the consolidated financial report (including CGPC Polymer Corporation, Taiwan VCM Corporation, Global Green Technology Corporation, CGPC America Corporation, CGPC (BVI) Holding Co., Ltd., and Continental General Plastics (Zhongshan) Co., Ltd.) over the past two years:																														
Description of the last two years' greenhouse gas confirmation situation:																														
<table><tr><th colspan="2">Scope of Assurance of Implementation</th><th>2023 Volume of emissions (ton/ CO₂e)</th><th>2024 Volume of emissions (ton/ CO₂e)</th></tr><tr><td rowspan="4">The Company</td><td>(Scope 1) Volume of direct greenhouse gas emission</td><td>29,590</td><td rowspan="8">The complete assurance information will be disclosed in the 2024 ESG Report.</td></tr><tr><td>(Scope 2) Volume of indirect greenhouse gas emission</td><td>75,219</td></tr><tr><td>Total</td><td>104,809</td></tr><tr><td>Percentage of the Inventory data disclosed in the aforementioned 1-1-1.</td><td>100%</td></tr><tr><td rowspan="4">All subsidiaries in the consolidated financial report</td><td>(Scope 1) Volume of direct greenhouse gas emission</td><td>121,646</td></tr><tr><td>(Scope 2) Volume of indirect greenhouse gas emission</td><td>93,086</td></tr><tr><td>Total</td><td>214,732</td></tr><tr><td>Percentage of the Inventory data disclosed in the aforementioned 1-1-1.</td><td>100%</td></tr><tr><td colspan="2">The assurance organization</td><td>Ernst & Young, Taipei, Taiwan, Republic of China</td><td></td></tr></table>				Scope of Assurance of Implementation		2023 Volume of emissions (ton/ CO ₂ e)	2024 Volume of emissions (ton/ CO ₂ e)	The Company	(Scope 1) Volume of direct greenhouse gas emission	29,590	The complete assurance information will be disclosed in the 2024 ESG Report.	(Scope 2) Volume of indirect greenhouse gas emission	75,219	Total	104,809	Percentage of the Inventory data disclosed in the aforementioned 1-1-1.	100%	All subsidiaries in the consolidated financial report	(Scope 1) Volume of direct greenhouse gas emission	121,646	(Scope 2) Volume of indirect greenhouse gas emission	93,086	Total	214,732	Percentage of the Inventory data disclosed in the aforementioned 1-1-1.	100%	The assurance organization		Ernst & Young, Taipei, Taiwan, Republic of China	
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Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
	Explanation of the assurance situation		Limited Assurance No. 3410	<p>Note: In 2023, the CGPC Toufen Plant and TVCM Linyuan Plant are considered emission sites regulated by the Ministry of Environment. Therefore, the CPA has adopted the data from their Verification Statement by the Ministry of Environment as the apportionment opinion. According to the Taiwan Stock Exchange's "Q&A on Key Points in Assurance Organization Management" Q1-1, a CPA issuing a comprehensive opinion on greenhouse gases may use the verification statement obtained in accordance with the Ministry of Environment's regulations as the apportionment opinion.</p> <p>Note 1: In accordance with the timetable stipulated in the order of Article 10, Paragraph 2 of this standard, if the company has not obtained a complete greenhouse gas assurance opinion by the printing date of the annual report, it should state that "the complete assurance information will be disclosed in the ESG report", and if the company has not prepared a ESG report, it should state that "the complete assurance information will be disclosed in the Market Observation Post System", and then disclose the complete assurance information in the annual report of the following year.</p> <p>Note 2: The confirming organization shall comply with the requirements for confirming organizations of the sustainability report established by the Taiwan Stock Exchange Corporation and TPEX of the Republic of China.</p> <p>Note 3: For disclosure content, please refer to the best practice examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange Corporation.</p> <p>2. Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans</p> <p>Describe the base year of greenhouse gas reduction and its data, the reduction target, strategy and specific action plan, and the achievement of the reduction target.</p> <p>At the beginning of 2022, CGPC set the 2030 carbon reduction goals as "Reduce carbon emissions by 27% in 2030 compared to 2017" and further established "2050 Carbon Neutral" as the long-term goal in 2023. This covers three production plants in the Taiwan region, with greenhouse gas emissions in Scope 1 and Scope 2.</p> <p>■ Greenhouse Gas Reduction Strategy and Specific Action Plans:</p> <p>Continue to implement ISO 14064-1 greenhouse gas inventory and verification, promote the energy management system, and plan and execute carbon reduction programs. CGPC plants implement carbon reduction programs, including: replacement of the air compressor, introduction of the AI energy-saving project for the #7 dryer, maintenance and energy-saving improvement of the chlorine-alkali electrolyzer, replacement of the chiller, improvement of motor energy-saving, replacement of the cooling water tower circulating motor, introduction of the AI energy-saving project for the VCM tower, and steam trap improvement project (Phase III).</p> <p>CGPC will continue to focus on addressing the challenges posed by climate change and actively promote carbon reduction goals and ESG strategy. Based on the achievements of 2023 and the existing carbon reduction strategy, CGPC envisions achieving higher carbon reduction goals of 27% and carbon neutrality by 2030 and 2050.</p> <p>CGPC Company plans to enhance energy management and improve energy efficiency in the short term (by 2025). The Company has implemented an</p>
	Confirmation/Conclusion		Unqualified conclusion	



Promoting Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			<p>intelligent energy management system and continues to promote process energy conservation and carbon reduction improvement projects. By integrating artificial intelligence technology to optimize processes, we achieve more efficient energy use and lower carbon emissions. At the same time, CGPC plans to switch its solar equipment for self-use and purchase green electricity in 2025 to further reduce reliance on gray energy.</p> <p>In the medium term (2025-2030), CGPC will promote low-carbon energy transformation and internal carbon pricing mechanisms, incorporating carbon emission costs into decision-making processes, and encourage all employees and supply chain partners to participate in carbon reduction actions collectively. The Company will continue to promote energy-saving and carbon reduction projects to ensure that the volume of greenhouse gas emissions decreases year by year, achieving the goal of a 27% reduction in carbon emissions in 2030 compared to 2017.</p> <p>In the long term, CGPC Company will aim to achieve carbon neutrality by 2050 as the ultimate goal. To this end, the Company will continue to focus on carbon capture, utilization, and storage (CCUS) technologies and negative carbon technologies, integrating these innovative technologies into existing production and business processes.</p> <p>In addition, CGPC will continually strengthen climate change risk management by conducting risk analysis and formulating response strategies based on different climate scenarios to ensure the Company's operational resilience. The Company will regularly review and update its carbon reduction goals and strategies, and disclose progress and results to stakeholders through publicly available sustainability reports.</p> <p>■ Achievement Status of Reduction Goals:</p> <p>In 2024, CGPC's self-inventoried greenhouse gas emissions (combined subsidiaries) for Category 1 totaled 136,300 tons CO₂e, and for Category 2 totaled 146,500 tons CO₂e, amounting to a total of 282,800 tons CO₂e, which is a 30% reduction compared to the baseline year (2017 emission of 410,600 tons CO₂e) Down 31.1%.</p> <p>Above detailed description, please refer to Chapter 5 of the 2024 ESG Report, URL as follows: https://www.cgpc.com.tw/ESG/tw/ESG-Report.aspx</p>	

Note 1: In accordance with the schedule set forth by the order under Article 10, Paragraph 2 of these Guidelines.

Note 2: For example, according to the order stipulated in Article 10, Paragraph 2 of this standard, companies with capital over NT\$10 billion should complete the 2024 inventory of the consolidated financial statements for the year 2025, so the base year should be the year of 2024. If the company has completed the inventory of the consolidated financial statements earlier, it can use the earlier year as the base year, and the data of the base year can be calculated as the average of the data of a single year or several years.

Note 1: If "Yes" is checked in the implementation status column, please specify the key policies, strategies, measures, and implementation details; if "No" is checked in the implementation status column, please explain the discrepancies and the reasons in the "Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" column, and outline the planned policies, strategies, and measures to address the situation. However, in relation to the promotion of Items 1 and 2, TWSE/TPEX-listed companies should outline their governance and oversight framework for sustainable development, including, but not limited to, the management approach, strategies, goal-setting, and review measures. Additionally, the company should describe its risk management policies or strategies concerning environmental, social, and corporate governance issues related to its operations, as well as the evaluation of these policies or strategies.

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.

(VI) Implementation Status of Ethical Corporate Management and Explanations for Any Discrepancies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies":

Evaluation Item	Implementation Status (Note)			Discrepancies from "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies" and Reasons
	Yes	No	Summary	
<p>I. Formulating Ethical Corporate Management Policies and Programs</p> <p>(I) Does the Company specify ethical corporate management policies and programs in its regulations and on external documents? Do its Board of Directors and the management team actively advocate and implement these policies?</p> <p>(II) Does the company has established a risk assessment mechanism for dishonest behavior, regularly analyze and evaluate the business activities with high risk of dishonest behavior within the business scope? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	V	V	<p>(I) Ethics 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 Company has, with the approval from the Board of Directors, 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) Ethical Corporate Management Best Practice Principles 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 shall include</p>	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies.

Evaluation Item	Implementation Status (Note)			Discrepancies from "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and Reasons
	Yes	No	Summary	
(III) Has the Company established policies to prevent unethical conduct, with clear statements regarding relevant procedures, conduct guidelines, punishments for violation, and rules for appeal, and does the Company implement them accordingly, and regularly review and correct such measures?	V		<p>preventive measures against the following actions:</p> <ol style="list-style-type: none"> 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>(III) Implementing Ethical Corporate Management and Whistleblowing channels</p> <ol style="list-style-type: none"> 1. The "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" established by the Company's Board of Directors specifically outline the matters to which Directors, Managerial Officers, employees, and actual controllers should pay attention in the execution of their duties, as well as the disciplinary measures for violations and the appeal system. 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. Provide multiple reporting channels that allow employees or external parties to report illegal, unethical, or dishonest conduct through the following channels. Dedicated personnel will handle these 	

Evaluation Item	Implementation Status (Note)			Discrepancies from "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			<p>reports with confidentiality regarding the identity of the whistleblower and the report's content. Whistleblowing channels are as follows:</p> <ul style="list-style-type: none"> ● Audit Committee Email: Set up on the Company's website to accept reports from shareholders, investors, and other stakeholders. ● Group Auditing Div.: Report hotline 2650-3783. ● Group Human Resources Office: Complaint hotline (extension 2609) and e-mail address (usighr@usig.com). ● The employee grievance mailboxes are located in the security room or next to the bulletin board at the plant areas; for the Taipei Office, it is located on the 6th floor of the Taipei Building. <p>No illegal event reports were received by any unit in 2024.</p> <p>3. Related regulations have been fully implemented and we continue to organize training courses to promote the ideals.</p>	
<p>II. Implementing Ethical Corporate Management</p> <p>(I) Has the Company evaluated the ethics records of counterparties to its business dealings, and specified ethical business policies in contracts with counterparties related to its business dealings?</p> <p>(II) Has the Company established an exclusively (or concurrently) dedicated unit under the Board to implement ethical corporate management, and report to the Board on a regular basis (at least annually) about the ethical corporate management policies, precautionary measures against unethical conducts, as well as the implementation and</p>	V	V	<p>(I) The Company has requested for terms of ethical conduct 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 strengthen ethical corporate management, the corporate governance team is responsible for establishing the ethical corporate management policy and prevention programs while supervising such implementation, the corporate governance officer reports to the Board of Directors regularly at least once a year.</p> <p>The Corporate Governance Officer reported to the Board of Directors on the implementation of the annual ethical management</p>	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Discrepancies from "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and Reasons
	Yes	No	Summary	
supervision thereof?			<p>on November 4, 2024, including the following:</p> <ol style="list-style-type: none"> 1. Formulating relevant regulations to implement ethical management policies in compliance with the requirements of laws and regulations, and effectively implementing them. 2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope according to the "Checklist for Assessing the Risk of Unethical Conduct." After assessment, there is no significant risk this year. 3. Planning the internal organizational structure and setting up mechanisms for supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness- According to statistics, no reports of illegal incidents were received this year. 6. Assisting the Board of Directors and general manager in assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. 	
(III) Has the Company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communication?	V		(III) The Company has formulated the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to prevent conflict of interest and provide suitable channels for directors, managers, and employees to explain any potential conflict of interest with the Company.	
(IV) Has the Company established effective accounting	V		(IV) The Company's accounting system and internal control system can	

Evaluation Item	Implementation Status (Note)			Discrepancies from "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and Reasons										
	Yes	No	Summary											
<p>systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(V) Does the Company regularly hold internal and external training related to ethical corporate management?</p>	V		<p>be operated independently and objectively. The internal auditors check relevant operations based on the risk assessment. When internal auditors find any major violations or dishonesty that may cause harm to the Company, they make a report and submit it to the independent directors. Internal auditors attend the Audit Committee's report. CPAs appointed by the Company regularly perform internal audits and hold discussions with the management.</p> <p>(V) To facilitate the understanding and adherence to the Group's ethical standards among the Company's directors, managerial officers, and employees, the Company specifies in its employment qualifications that employees must comply with the Group's ethical management policy. On the first day of employment, employees sign a commitment to adhere to the Company's Ethics Policy, while directors and senior managerial officers sign a Statement of Ethical Management upon their election. These documents are securely kept by designated personnel for reference.</p> <p>To implement ethical corporate management and moral behavior, the Company continues to promote and regularly organize relevant training courses, using tests to reinforce employee awareness. In 2024, CGPC and its subsidiaries TVCM/CGPCPOL held education and training related to ethical corporate management issues, with a total of 313 participants, including employees and Directors, and a total of 714 training hours.</p> <p>The course details are as follows:</p> <table><tr><th rowspan="2">Course Title</th><th rowspan="2">Hours</th><th colspan="2">Combined</th></tr><tr><th>Number of Participants</th><th>Total Number of Hours</th></tr><tr><td></td><td></td><td></td><td></td></tr></table>	Course Title	Hours	Combined		Number of Participants	Total Number of Hours					
Course Title	Hours	Combined												
		Number of Participants	Total Number of Hours											



Evaluation Item	Implementation Status (Note)						Discrepancies from "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and Reasons
	Yes	No	Summary				
			[Integrity Seminar] Understanding Workplace Misconduct for Managers	2	81	162	
			[Integrity Seminar] Ethical Awareness in the Workplace	2	40	80	
			[Integrity Seminar] Product Liability without Fault!?	2	101	202	
			[Integrity Seminar] Insider Trading Practical Cases and Related Legal Liabilities	3	86	258	
			[Ethics Seminar] Fair Trade Regulations and Case Analysis	3	2	6	
			[Ethics Seminar] Legal Awareness and Response in the Intelligent Era	2	2	4	
			[Ethics Seminar] Prevention of Workplace Abuse	2	1	2	
			Total		313	714	
III. Implementing the Company's Whistleblowing System (I) Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to handle investigations against wrongdoers?	V		(I) The Company's Board of Directors passed the amendment of the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" on November 12, 2019, and publicly disclosed it on the Company's official website (URL: https://www.cgpc.com.tw/PDF/others/ProcessForIllegalUnethicalDishonesty.pdf) which included the following report channels, incentive system, dedicated personnel responsible for processing reports, and whistle blower protection measures: 1. Whistleblowing channels: (1) Personal report: Face-to-face explanation. (2) Telephone report: 02-26503783 (3) Written report: Auditing Office, 7F., No. 37, Jihu Rd., Neihu Dist., Taipei City. (4) For reports made in person or through verbal means such as telephone reporting, the personnel responsible in the receiving unit should create a written record based on the described content and label it as "confidential." 2. Incentive system: Where a report is verified as true and its contribution generates significant economic benefits, the incident may be				Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Discrepancies from "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and Reasons
	Yes	No	Summary	
(II) Has the Company established standard operating procedures for the reported matters, the measures to be taken after investigation is completed, and the relevant confidential mechanism?	V		<p>submitted to the general manager to provide the whistleblower with appropriate rewards.</p> <p>3. Responsible personnel:</p> <p>(1) Audit Committee members: Accept reports from shareholders, investors, and other stakeholders.</p> <p>(2) Audit Office: Accept reports from clients, suppliers, and contractors.</p> <p>(3) Personnel Division: Accept reports from employees.</p> <p>4. Whistleblower protection:</p> <p>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. 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 "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct," approved by the Company's Board of Directors, clearly define the standard operating procedures for investigating reported matters and related confidentiality mechanisms. For anonymous reports or cases reported without real names, if the content or evidence provided is specific and warrants investigation, such cases may be reported to the Chairman/President for case assignment and recordkeeping, and may be retained as references for internal reviews. The Company shall conduct investigations into the internal evidence after receiving the reports. Once they are verified as true, the Company shall, based on the</p>	

Evaluation Item	Implementation Status (Note)			Discrepancies from "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(III) Has the Company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?	V		violation or severity of the violation, implement disciplinary measures and process such violations in accordance with related regulations. (III) The procedures above also specify that whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities fully maintained, so that they will not be subjected to unfair treatment or retaliation.	
IV. Strengthening Information Disclosure Has the Company disclosed the content and effectiveness of its integrity management principles on the Company's website and the Market Observation Post System?	V		The Company has placed the guidelines and information on ethical corporate management in the "Ethical Management" section on its website so that our colleagues can refer to these procedures and information at all times. The Company places its "Ethical Corporate Management Best Practice Principles" on the Company's external website: (https://www.cgpc.com.tw/zh-tw/dirServices/frmServices2.aspx) and Annual Reports (the Annual Reports are also placed on MOPS) to disclose information related to ethical corporate management.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies.
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 or TPEX Listed Companies, state the discrepancies between these principles and its implementation: The Company's Board of Directors 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.				
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) The Company has established related internal regulations according to the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies amended by competent authorities and the Corporate Governance Best Practice Principles amended on August 4, 2022. With the approval of the Board of Directors on November 1, 2022, the Operating Procedures and Conduct Guidelines for Integrity Management of the Company has been amended. The				

Evaluation Item	Implementation Status (Note)			Discrepancies from "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and Reasons
	Yes	No	Summary	
Corporate Governance Officer reports to the Board of Directors regularly, and recently reported the implementation of the ethical management to the Board of Directors on November 4, 2024.				

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

(VII) Other Important Information That Can Promote Understanding of the Company's Corporate Governance Operations:

The Company regularly performs audits of its subsidiaries, as well as analyzing and reviewing the financial and business information of its subsidiaries in accordance with the requirements for supervision and monitoring of subsidiaries stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies.

(VIII) Implementation of the Internal Control System

1. Statement of Internal Control

China General Plastics Corporation Statement of the Internal Control System

Date: March 4, 2025

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

- I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Company's Board of Directors and managerial officers, and thus the Company has established such a system. 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 have 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 constituent element includes a number of categories. Please refer to the "Regulations" for the aforementioned categories.
- 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. In accordance with the aforementioned evaluation, the Company has found that the design and implementation of the internal control system (including the assessment and management of subsidiaries), as of December 31, 2024, including the efficacy of understanding operations, the efficiency of achievement of objectives, reliability in reporting, timeliness, and in compliance with relevant codes and relevant laws and regulations to follow the relevant internal control system design and implementation is effective, are effective and can reasonably provide assurance of the aforesaid goals.
- VI. The Statement shall become the main content of the Company's annual report and prospectus, and shall be made public. Should the abovementioned 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 passed by the Board of Directors in their meeting held on March 4, 2025, with the nine attending directors affirming the contents of this Statement.

China General Plastics Corporation

Chairman: Wu, Yi-Gui

President: Hu, Chi-Hong



2. Signature and seal Where CPAs are commissioned to audit the Company's internal control systems, the audit report prepared by the CPAs should 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	Time of Meeting	Resolutions
2024	2024/05/28	<p>The minutes of the Shareholders' Meeting were posted onto MOPS on June 14, 2024. The key resolutions and their status of implementation are as follows:</p> <ol style="list-style-type: none"> 1. Approved the 2023 Account Book. Implementation status: The resolution was passed. 2. Approved the 2023 Profit Distribution Plan. Implementation status: The resolution was passed. Distribute cash dividends to shareholders totaling NT\$203,367,673, with the record date set on August 2, 2024. The distribution was completed on August 23, 2024. 3. Discussed the permission for the directors to engage in business competition. Implementation status: The resolution was passed. 4. Approved one by-election of Independent Directors of the Company: Elected Independent Director - Chang, Chen-Ming. Implementation Status: The extraordinary general shareholders' meeting recruited one Independent Director, with a term from May 28, 2024 to May 29, 2025, and commenced after the meeting. 5. Discussed the permission for the directors to engage in business competition. Implementation status: The resolution was passed.

2. Board of Directors

Year of Meeting	Time of Meeting	Resolutions
1st Meeting in 2024	2024/03/05	<ol style="list-style-type: none"> 1. Ratify the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation. 2. Ratification of the new five-year medium-term lending contract signed with Yuanta Bank. 3. Approved the 2023 Account Book. 4. Approved the 2023 distribution of remuneration to directors and employees of the Company. 5. Approved the 2023 earnings distribution plan. 6. Approved the recommendation at the general shareholders' meeting to lift the non-compete clause for directors. 7. Approved one by-election of independent directors at the general shareholders' meeting this year. 8. Approved the recommendation at the general shareholders' meeting to lift the non-compete clause for incoming independent directors.

Year of Meeting	Time of Meeting	Resolutions
		9. Approved matters related to the convening of the 2024 general shareholders' meeting. 10. Approved to set the period and place for accepting shareholders' proposals. 11. Approved the appointment of Mr. Hu, Chi-Hong as General Manager. 12. Approved the Manager's Competitive Behavior. 13. Approved the 2024 evaluation of the independence and qualifications of appointed CPAs. 14. Approved the appointment of CPAs for 2024. 15. Approved the amendment of certain articles in the "Rules of Procedure for Board of Directors Meetings". 16. Approved the amendment of certain provisions of the "Audit Committee Charter". 17. Approved the issuance of the 2023 "Statement on Internal Control". 18. Authorized the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions. 19. Approved donations to the USI Education Foundation.
2nd Meeting in 2024	2024/04/16	Approved the list of candidates nominated by shareholders holding more than 1% of the Company's shares for Independent Director.
3rd Meeting in 2024	2024/05/02	1. Ratification of the three-year medium-term lending contract signed with Bank of China Taipei Branch. 2. Approved the consolidated financial statements of the Company in the 1st quarter of 2024. 3. Passed the amendments to the Company's internal control system. 4. Approved the amendment of certain provisions of the "Sustainable Development Committee Charter". 5. Approved the appointment of an additional member of the ESG Committee. 6. Approved the Proposal to Change the Head of Accounting of the Company.
4th Meeting in 2024	2024/08/01	1. Ratification of signing and delivering short-term credit loan contracts and related documents to financial institutions. 2. Approved the consolidated financial statements of the Company in the 2nd quarter of 2024. 3. Approved the new seven-year medium-term lending contract signed with Chang Hwa Bank. 4. Approved the 2023 Sustainability Report. 5. Approved the amendment of certain articles of the Corporate Governance Best Practice Principles.
5th Meeting in 2024	2024/11/04	1. Ratification of signing and delivering short-term credit loan contracts and related documents to financial institutions. 2. Ratification of the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation. 3. Approved the consolidated financial statements of the Company in the 3rd quarter of 2024. 4. Approved the 2025 budget. 5. Remuneration of CPAs for 2024. 6. Approved the amendments to certain provisions of the "Internal



Year of Meeting	Time of Meeting	Resolutions
		Control System". 7. Approved the 2025 annual audit plan.
1st meeting in 2025	2025/03/04	<ol style="list-style-type: none"> 1. Ratify the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation. 2. Ratification of the new three-year medium-term lending contract signed with Cathay United Bank. 3. Approved the 2024 Account Book. 4. Approved the 2024 earnings distribution plan. 5. Approved the amendment of certain articles of the Articles of Incorporation. 6. Approved the establishment of the scope for the Company's "junior employees." 7. Approved the re-election of directors at the general shareholders' meeting this year. 8. Approved the recommendation at the general shareholders' meeting to lift the non-compete clause for new directors. 9. Approved matters related to the convening of the 2025 general shareholders' meeting. 10. Approved to set the period and place for accepting shareholders' proposals. 11. Authorized the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions. 12. Passed the 2025 evaluation of the independence and qualifications of appointed CPAs. 13. Approved the appointment of CPAs for 2025. 14. Approved the issuance of the 2024 "Statement on Internal Control". 15. Approved donations to the USI Education Foundation.

(X) Recorded or Written Statements from Any Director or Supervisor Expressing Dissent to Significant Resolutions Passed by the Board of Directors in the Most Recent Year, as Well as up to the Date of Publication of This Annual Report: None.

IV. Information on CPA Professional Fees

(I) Information on CPA Professional Fees

Unit: NT\$ thousands

Name of CPA firm	CPA	CPA's duration of audit	Audit Fees	Non-Audit Fees	Total	Note
Deloitte, Taiwan	Hsiu-Chun Huang	2024	3,600	870 (Note 3)	4,470	
	Chiu, Cheng-Chun					

Note 1: If the Company has changed its CPAs or accounting firm during the current fiscal year, the audit period should be listed separately, and the reason for the change should be provided in the "Note" column. Information regarding the audit and non-audit fees paid should also be disclosed in order. The content of the non-audit services should be explained and specified.

Note 2: Please specify the content of non-audit services: (Such as tax certification, assurance, or other financial advisory services)

Note 3: Tax certification fee is NT\$570 thousand, limited assurance fee for the ESG Report is NT\$300 thousand.

- Where the CPA firm was replaced, and the audit fees for the fiscal year following the change were lower than those paid in the previous fiscal year, the amounts of audit fees paid before and after the replacement, as well as the reasons for the change in fees, should be disclosed: Not applicable.
 - Where the audit fees for the year were reduced by 10% or more compared to the previous year, the amount, percentage, and reasons for the reduction shall be disclosed: Not applicable.
- (II) The so-called audit fees refer to the fees paid to Certified Public Accountants with regards to the services of financial report auditing, verification, review, and financial forecast auditing.



V. Information on Change of CPA

(I) Regarding the former CPA

Date of Change	N/A		
Replacement reasons and explanations	N/A		
Statement on whether the authorizing party or the accountant terminates or rejects the authorization	Principal		CPA
	Situation		Authorizing party
	Termination of appointment		N/A
No longer accepted (continued) appointment			
Other issues (except for unqualified issues) in the audit reports within the last two years	N/A		
Is there any disagreement with the issuer?	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Others
	No	✓	
	Explanation: Not applicable		
Other items for disclosure (items in Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Regulations shall be disclosed)	N/A		

(II) Information on the succeeding CPA:

Name of CPA firm	N/A
Name of CPA	
Date of Appointment	
Consultation given on accounting treatment or accounting principle adopted for any specific transactions and on possible opinion issued on financial report prior to appointment and results	
Written opinions from successor CPAs with regards to matters with which former CPAs disagreed	

(III) The former CPA's response to Article 10, Subparagraph 6, Item 1 and Item 2-3 of the accounting standards: Not applicable.

VI. The Company's Chairman, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of Its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm: No such occurrences.

VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Managerial Officer, or Shareholder with a Stake of More than 10 Percent

(I) Changes in Shareholding of Directors, Managers, and Major Shareholders

Unit: Shares

Title (Note 1)	Name	2024		As of March 31, 2025	
		Increase (decrease) of shares pledged	Increase (decrease) in number of shares pledged	Increase (decrease) of shares pledged	Increase (decrease) in number of shares pledged
Major Shareholder	Union Polymer International Investment Corporation	0	0	0	0
Director	Wu, Yi-Gui (representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Lin, Han-Fu (representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
Shareholder	Asia Polymer Corporation	0	0	0	0
Director	Wu, Pei-Ji (Representative of Asia Polymer Corporation)	0	0	0	0
	Liu, Han-Tai (Representative of Asia Polymer Corporation)	0	0	0	0
Shareholder	USI Investment Co., Ltd.	0	0	0	0
Director	Wu, Hung-To (Representative of USI Investment Co., Ltd.)	0	0	0	0
Independent Director	Li, Zu-De	0	0	0	0
	Zheng, Ying-Bin	0	0	0	0
	Hsu, Chen-I	0	0	0	0
	Chang, Chen-Ming (Appointed on May 28, 2024)	0	0	0	0
Chief Executive Officer	Wu, Yi-Gui	0	0	0	0
Vice Chairman	Lin, Han-Fu	0	0	0	0
General Manager	Hu, Chi-Hong	0	0	0	0
Senior Manager	Chen, Wan-Ta (Resigned on May 2, 2024, Note 2)	0	0	Not applicable	
Corporate Governance Officer	Chen, Yung-Chih	0	0	0	0



Title (Note 1)	Name	2024		As of March 31, 2025	
		Increase (decrease) of shares pledged	Increase (decrease) in number of shares pledged	Increase (decrease) of shares pledged	Increase (decrease) in number of shares pledged
General Factory Director	Tsai, Pei-Hong	0	0	0	0
Director, Sales & Marketing Division	Wu, Chien-Hsing	0	0	0	0
Special Assistant to General Manager	Kuo, Chao-Yuan	0	0	0	0
Manager, Accounting Department	Kuo, Chien-Chou (Resigned on July 1, 2024, Note 2)	0	0	Not applicable	
	Li, Chun-Feng (Appointed on July 1, 2024)	0	0	0	0
Director, Finance Department	Wu, Hui-Hsueh	0	0	0	0

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

Note 2: Assistant Manager Chen, Wan-Ta Wanda retired on May 2, 2024, and Accounting Department Manager Mr. Kuo, Chien-Chou retired on July 1, 2024.

(II) Equity Transfer Information: The counterparties of the equity transfers by directors, supervisors, major shareholders, and executives are not related parties, and no equity transfers have occurred among the executives: Not applicable.

(III) Pledged Equity Information: The counterparties of the equity pledges by directors, supervisors, major shareholders are not related parties, and no equity pledges have occurred among executives: Not applicable.

VIII. Relationship Information, If Among the Company's Top 10 Shareholders Anyone Is a Related Party, Spouse, or a Relative Within the Second Degree of Kinship

March 29, 2025

Name (Note 1)	Shares Held by the Person		Spouse & Minor Shareholding		Total Shares Held in the Name of Other Persons		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)		Note
	Shares	Shareholding ratio (Note 2)	Shares	Shareholding ratio (Note 2)	Shares	Shareholding ratio (Note 2)	Name	Relationship	
Union Polymer International Investment Corporation Representative: Wu, Yi-Gui	145,079,236	24.97%	—	—	—	—	APC, TTC	Same Chairman	
	—	—	—	—	—	—			
Asia Polymer Corporation Representative: Wu, Yi-Gui	46,886,185	8.07%	—	—	—	—	UPIIC, TTC	Same Chairman	
	—	—	—	—	—	—			
Fubon Life Insurance Co., Ltd. Name or representative: Lin, Fu-Hsing	28,468,000	4.90%	—	—	—	—	None	None	
	—	—	—	—	—	—			
Taiwan Life Insurance Co., Ltd. Name or representative: Xu Shubo	14,502,000	2.50%	—	—	—	—	None	None	
	—	—	—	—	—	—			
Taita Chemical Company, Limited Representative: Wu, Yi-Gui	11,516,174	1.98%	—	—	—	—	UPIIC, APC	Same Chairman	
	—	—	—	—	—	—			
TransGlobe Life Insurance Inc.'s wholly entrusted investment account with Nomura Asset Management Taiwan Ltd.	10,986,000	1.89%	—	—	—	—	None	None	
JP Morgan Chase Bank, Taipei Branch is entrusted with the custody of Vanguard Total International Equity Index Fund, a series of funds of Vanguard Starlight Fund	6,031,597	1.04%	—	—	—	—	None	None	
JP Morgan Chase Bank, Taipei Branch is entrusted with the custody of the Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account.	5,855,926	1.01%	—	—	—	—	None	None	
Li, Chia-Ching	4,670,000	0.80%	—	—	—	—	None	None	
JP Morgan Chase Bank, Taipei Branch is entrusted with the custody of the Vanguard Trust Company Institutional Total International Equity Market Index Trust II Investment Account	2,964,800	0.51%	—	—	—	—	None	None	

Note 1: All the top 10 shareholders should be listed. For institutional shareholders, their names and the name of their representatives should 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 juristic person shareholders and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.



IX. Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

Consolidated Shareholding Percentage

December 31, 2024

Unit: Shares

Reinvestment Entities (Note 1)	Ownership by the Company		Investments by directors, supervisors, managerial officers and directly or indirectly controlled enterprises		Total Ownership	
	Shares	Shareholding Percentage (%)	Shares	Shareholding ratio (%)	Shares	Shareholding Percentage (%)
Taiwan VCM Corporation	259,591,005	87.27	0	0	259,591,005	87.27
CGPC Polymer Corporation	70,170,682	100.00	0	0	70,170,682	100.00
CGPC (BVI) Holding Co., Ltd.	14,808,258	100.00	0	0	14,808,258	100.00
China General Terminal & Distribution Corporation	25,053,469	33.33	0	0	25,053,469	33.33
CGPC America Corporation	100	100.00	0	0	100	100.00
Acme Electronics Corporation	3,566,526	1.67	1,510,750	0.69	5,077,276	2.36

Note 1: The Company adopts the equity method for investments.

III. Funding Status

I. Capital and Shares

(I) Source of Capital

1. Total shares issued and outstanding as of the date of publication of the annual report:

March 31, 2025

Unit: Shares; NT\$

Year and Month	Issued Price	Authorized share capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Others
2021.9	10	650,000,000 shares	NT \$6,500,000,000	581,050,494 shares	NT \$5,810,504,940	NT\$276,690,710 for the conversion of earnings to capital (Note 2-(1))	None.	None.

Note 1: The annual data shall be updated 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 by the Ching Shou Shang Tzu No. 11001176700 letter dated October 8, 2021.

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

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

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

March 31, 2025

Unit: Shares

Types of Shares	Authorized Share Capital			Note
	Issued Shares (Note)	Unissued Shares	Total	
Registered common stocks	581,050,494 shares - listed	68,949,506 shares	650,000,000 shares	

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

2. Information regarding shelf registration:

Types of Securities	Amount of Scheduled Issuance		Amount Issued		The Purpose and Expected Benefits of the Issued Shares	Unissued Shares Scheduled Time of Issuance	Notes
	Total Number of Shares	Approved Amount	Shares	Price			
Not applicable.							



(II) List of Major Shareholders

March 29, 2025

Name of majority shareholders	Shares	Number of Shares (Unit: Shares)	Shareholding Percentage (%)
Union Polymer International Investment Corporation		145,079,236	24.97%
Asia Polymer Corporation		46,886,185	8.07%
Fubon Life Insurance Co., Ltd.		28,468,000	4.90%
Taiwan Life Insurance Co., Ltd.		14,502,000	2.50%
Taita Chemical Company, Limited		11,516,174	1.98%
TransGlobe Life Insurance Inc.'s wholly entrusted investment account with Nomura Asset Management Taiwan Ltd.		10,986,000	1.89%
JP Morgan Chase Bank, Taipei Branch is entrusted with the custody of Vanguard Total International Equity Index Fund, a series of funds of Vanguard Starlight Fund		6,031,597	1.04%
JP Morgan Chase Bank, Taipei Branch is entrusted with the custody of the Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account.		5,855,926	1.01%
Li, Chia-Ching		4,670,000	0.80%
JP Morgan Chase Bank, Taipei Branch is entrusted with the custody of the Vanguard Trust Company Institutional Total International Equity Market Index Trust II Investment Account		2,964,800	0.51%

(III) Dividend Policy of the Company and Its Implementation

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

If the Company generates profits for the fiscal year, a portion should be allocated as remuneration for directors and employees, with director remuneration not exceeding 1% of the annual profit, and employee remuneration not less than 1% of the annual profit. However, if there are accumulated losses, an amount should be reserved in advance to cover the loss.

The abovementioned employee rewards can be distributed in the form of shares or cash. Rewards shall 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.

If the Company records 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, 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 regard 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 into account R&D needs and business

diversification, dividends paid to shareholders shall not be less than 10% of distributable profit in the current fiscal year, where cash dividends shall not be less than 10% 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. The proposed dividend distribution of Shareholders' Meeting this year:

The Company did not have any profits in 2024, so no remuneration will be distributed to directors and employees.

Please refer to the "Market Observation Post System" of Taiwan Stock Exchange for information on the Company's remuneration for directors and supervisors and rewards for employees.

3. Any expected material changes to the dividend policy should be further 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 This Shareholders' Meeting

No financial forecast was prepared for 2025, so no disclosure of forecast information is required.

Item		Year	2025 (Estimate)
Paid-up capital at the beginning of the period (Unit: NT\$)			NT\$5,810,504,940
Distribution of dividends in the current fiscal year (Note 1)	Cash dividend per share (Unit: NT\$)		NT\$0.15
	Number of allotted shares per share for capitalization of earnings		0 share
	Capital surplus to capital allotment per share		0 share
Changes in Operating Performance	Operating profits		N/A (Note 2)
	Operating income increased (decreased) over the same period last year		
	Net profit after tax		
	Net profit after tax increased (decreased) over the same period last year		
	Earnings Per Share		
	Earnings per share increased (decreased) over the same period last year		
	Average annual rate of return on investment (inverse of average annual cost-benefit ratio)		
Proposed mandatory earnings per share and capital gain ratio	If all of the capital surplus is transferred to cash dividends	Proposed earnings per share	N/A (Note 2)
		Average annual rate of return on investment	
	If the capital reserve has not been transferred to capital	Proposed earnings per share	
		Average annual rate of return on investment	
	If no capital reserve is recorded and the capital surplus is transferred to cash dividends	Proposed earnings per share	
		Average annual rate of return on investment	

Note 1: Distribution of dividends for 2024 is based on the earnings distribution plan approved by the Board of Directors on March 4, 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) Remuneration for Directors and Employees:

1. The proportion or scope of remuneration for directors and employees as specified in the company's Articles of Incorporation:
 - (1) Remuneration of Directors:

The remuneration of directors shall not exceed one percent (1%) of the Company's distributable earnings for the current fiscal year.
 - (2) Remuneration of Employees:

The remuneration of employees shall not be less than one percent (1%) of the Company's distributable earnings for the current fiscal year.
2. Accounting for basis for estimating the amount of compensation of directors and employees, basis for estimating the amount of share distribution, and auditing procedures for discrepancies between the estimated and the actual distributed amount in the current year:
 - (1) Basis for estimating the amount of compensation of directors and employees in the current year:
 - (1)-1. Employee compensation shall be calculated based on a minimum value of 1% of the Company's profit in the current fiscal year in accordance with the Articles of Incorporation. The compensation payable to the employees by the Company in 2023 was estimated to be NT\$3,130 thousand.
 - (1)-2. Director's remuneration shall be calculated based on a maximum value of 1% of the Company's profit in the current fiscal year in accordance with the Articles of Incorporation. However, the Company did not appropriate or distribute remuneration for directors in 2023.
 - (2) Basis for estimating the amount of share distribution for the compensation of directors and employees in the current year: Not applicable.
 - (3) Auditing procedures for discrepancies between the estimated compensation for directors and employees and the actual distributed amount: Should there be any significant changes to the amounts resolved by the Board of Directors after the current financial period has ended, this discrepancy shall be adjusted to the expenses of the year in which the estimates are made. If a different amount is resolved during the shareholders' meeting, the discrepancy will be treated as changes in accounting estimates and accounted in the year the shareholders' meeting takes place. In the event a stock bonus is opted for the employee rewards at the general shareholders' meeting, the number of shares shall be determined by dividing the amount specified in the resolution by the fair value of the stock. The fair value of the stock refers to the

closing price one day prior to a shareholders' resolution (accounting for the impact of cash and stock dividends).

3. Information on the proposed distribution of employee remuneration for 2024 approved by the Board of Directors on March 4, 2025:

(1) Distribution of compensation for directors and employees.

Director remuneration: None.

Employee remuneration: None.

(2) Discrepancy between the amounts above and the estimates

For the year: None.

Reason for the discrepancy: Not applicable.

Processing conditions: Not applicable.

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

Unit: NT\$ thousand

Item	2024 Employee and Director Remuneration		Discrepancy	Reasons for discrepancy and processing method
	Amount reported in Financial Statements	Amount actually distributed		
Employee Remuneration	0	0	0	No profit, no distribution
Director Remuneration	0	0	0	No profit, no distribution

5. The Company participates in the annual salary survey of the petrochemical industry to evaluate market salary levels, make appropriate adjustments and plans for employee compensation (The average salary increase for employees in 2024 was approximately 3.08%), and provide special salary adjustments for high-performing individuals to maintain a competitive salary structure in the market.

Average salary:

Item	Content	2024	Discrepancies from the previous year
1	The number of full-time employees who are not supervisors	613	-28
2	Average salary of full-time employees who are not supervisors (NT\$ thousand)	961	12
3	Median salary of full-time employees who are not supervisors (NT\$ thousand)	907	1

Note 1: The number of full-time employees who are not supervisors.

Note 2: Average salary of full-time employees who are not supervisors.

Note 3: The disclosure may refer to Subparagraph 31, Paragraph 1, Article 3 of the "Taiwan Stock Exchange Corporation Rules Governing Information Filing by



Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds".

Note 4: This table is parent company only, including the average salary of CGPC full-time employees who are not supervisors.

(VI) Repurchase of Shares by the Company during the Most Recent Fiscal Year and as of the Date of Publication of this Annual Report: None.

II. Issuance of Corporate Bonds

(I) Issuance of Corporate Bonds: None.

(II) Information regarding the Conversion of Corporate Bonds: None.

(III) Information regarding Corporate Bond Swap: None.

(IV) Information regarding Shelf Registration for Corporate Bonds: None.

(V) Information regarding Equity Warrant Bonds: None.

III. Issuance of Preferred Stocks: None.

IV. Issuance of Global Depositary Receipts: None.

V. Status of employee stock options as of the publication date of the Annual Report, including the names of managerial officers who have received employee stock options and the top ten employees who have received employee stock options, along with their exercise and subscription details: None.

VI. Status of employee rights to newly issued shares as of the publication date of the Annual Report, including the names of managerial officers who have received restricted employee rights to newly issued shares and the top ten employees who have received such rights, along with the details of their acquisition: None.

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

VIII. The State of Implementation of the Company's Capital Allocation Plans

(I) As of one quarter prior to the publication date of this annual report, details of plans and the implementation status for previous issuances or private placements of marketable securities that have not yet been completed: None.

(II) As of one quarter prior to the publication date of this annual report, previous issuances or private placements of marketable securities completed within the last three years, for which the planned benefits have not yet materialized: None.

IV. Operations Overview

I. Business Activities

(I) Scope of Business

1. Main businesses

- (1) Manufacture plastic and its required raw materials.
- (2) Manufacture processed plastic products and the chemicals they require.
- (3) Manufacture and sell technical services (including design and installation) for chemical machinery equipment (including vinyl chloride monomer (VCM) plant equipment).
- (4) Manufacture, store, transport, sell, trade and resell vinyl chloride monomer (VCM).
- (5) Underground water remediation.
- (6) Production, trade, store, transport, and sell of Ethylene Dichloride (EDC)
- (7) Distribution and processing of the above products.
- (8) Research and promotion services related to the above businesses.

2. Main products and their proportion in operations:

Product Category	Ratio
Vinyl chloride monomer	6%
PVC resin, PVC compound and chlor- alkali	70%
PVC construction products: Pipes, pipe fittings, door panels and anti-corrosion protection panels	7%
PVC film/sheet: flexible film/sheets, rigid film/sheet, semi-rigid film/sheet, laminating film/sheet, printed film/sheet	9%
PVC leather:leather and sponge leather	8%



3. Plans for new product development:

- | | |
|--|--|
| <ul style="list-style-type: none"> ● Energy generation through residual hydrogen ● Utilizing a 30L PVC polymerization reactor to analyze the impact of various additives on product quality ● New formulations testing in a 30L experimental reactor ● #7 AI application in drying process ● TPO automotive foot mat ● scratch-resistant rubber cloth ● Development of solvent-free PVC/TPE cloth paste ● PP equipment expansion protective cover rubber cloth ● TPO fully recycled shoe leather ● GRS certified TPU foam material ● Antiviral coated leather (medical bed) ● TPO infant car seat leather ● TPO cutting mat | <ul style="list-style-type: none"> ● POE waterproof membrane/pool liners ● TPO anti-slip fabric ● Translucent leather/fabric products ● Solvent-free surface treatment leather for PVC/TPE ● TPO anti-static transparent film/sheet ● Bus seats & interior sponge leather ● Sponge leather development for casting-like furniture ● Marine soft leather development ● Development of cooling leather for motorcycle seats ● PVC wire harness tape (Italy, India) ● Silicone coating/laminating composite products ● TPE leather products for car seats |
|--|--|

(II) State of the Industry

1. Current state and development of the industry:

In 2024, Taiwan VCM Corporation faced significant operational pressure due to the severe spillover effects from China's petrochemical industry, which led to weak overall market demand. While downstream product prices declined rapidly, upstream raw material costs remained relatively firm, placing the company under intense strain from both ends of the supply chain.

In terms of raw materials:

EDC: As the global demand for alkali remains sluggish, prices are difficult to boost. The low operating rates of chlor-alkali plants have impacted EDC supply, keeping volumes limited and supporting prices. Additionally, frequent unplanned shutdowns and active efforts by traders in the market have contributed to EDC maintaining relatively stable pricing, in contrast to the weaker trends observed in PVC and VCM. As a result, the price spread between VCM and EDC has narrowed to its lowest level since 2006.

Ethylene: In the first half of the year, geopolitical conflicts drove oil prices to sustained highs, with Brent crude exceeding \$90/MT, pushing up light naphtha prices. However, global demand for plastics remained weak, resulting in insufficient spreads for ethylene and its downstream derivatives. Meanwhile, China continued to expand its petrochemical supply chain capacity, increasing supply while domestic demand stayed weak. As a result, ethylene price spreads were not able to increase. Even with reduced production from naphtha cracking plant, ethylene prices remained flat, fluctuating in the range of \$850-\$950/MT CFR.

Underground water remediation:

The company's innovative technology aligns with the United Nations Sustainable Development Goals (SDGs), specifically SDG 6: Clean Water and Sanitation and SDG 15: Life on Land. We focus on enhancing environmental microbial technology by eliminating traditional remediation methods such as groundwater extraction, excavation, chemical acid washing and physical heat treatment. All remediation activities are carried out in situ, minimizing land disturbance and excavation and effectively preventing soil exposure and ecological damage. Our approach utilizes bacterial degradation methods and introduces substrates to support the growth of native microorganisms, replacing chemical injection processes to clean up contaminants in a sustainable manner.

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

The Company is a midstream and downstream producer of plastic materials and products in the petrochemicals industry. The upstream material EDC is supplied by Formosa Plastics Corporation and foreign companies. Ethylene is supplied by CPC Corporation and foreign companies. 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.

3. Product development trends and competition:

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 volumes of PVC resin are 450 thousand tons at the Company, 1.785 million tons at Formosa Plastics Corporation, and 150 thousand tons at Ocean Plastics Co., Ltd., respectively. The main downstream processing industrial players in need of the material include manufacturers of plastic tapes, plastic sheets, and building materials.

In 2024, geopolitical factors such as the Russia-Ukraine conflict, the Israel-Hamas war, the Red Sea incident and major national elections, as well as extreme climate events, continue to have a significant impact on the global economy. In major economies such as China, domestic demand and GDP growth are being held back by challenges in the real estate sector, while the United States faces persistent inflation and elevated unemployment rates. The pace of interest rate cuts remains slow and overall economic indicators are unfavorable. Taiwan's central bank gradually raised interest rates, tightened lending and the seventh wave of selective credit control measures in 2024, and other unfavorable factors led to a significant slowdown in the construction industry from the second half of the year, while demand for downstream consumer goods such as building materials and leather fabrics also slowed.

In the second quarter, PVC market prices experienced a temporary recovery due to rising shipping costs. However, the introduction of new capacity in China, combined with high overall production rates, resulted in inventories reaching record highs. Coupled with the increase in the 30-year mortgage rates in the United States, new housing starts have decreased by 10.4% in the year. Excess PVC production capacity in both the U.S. and China led to a surge in exports as producers sought to alleviate inventory pressure. This, in turn, suppressed PVC market prices across all regions globally, keeping prices fluctuating at historically low levels throughout the year. PVC producers in Northeast and Southeast Asia have experienced declining profits and weakening sales. In response, many have implemented measures such as lowering operating rates or temporarily suspending production.

In 2024, the PVC plant will focus on upgrading equipment, improving energy use efficiency, and strictly controlling upstream costs and inventory risks. In addition to price and volume management, the sales strategies for the PVC plant also emphasized expanding distribution channels, diversifying markets, and strengthening customer relationship management to increase market share.

Underground water remediation: This includes a range of techniques tailored to address soil and groundwater contamination. For

soil remediation, common methods include soil vapor extraction, land-farming, excavation and removal, solidification, and dilution through mixing soil. For groundwater remediation, techniques primarily include extraction and treatment, chemical oxidation, air sparging, and bioremediation. Remediation strategies must consider several critical factors, including the characteristics and concentration of the contaminants, the remediation schedule and budget, and the effectiveness of the chosen methods. In addition, remediation approaches must be adapted to address environmental concerns and public acceptance.

Since the enactment of Taiwan's Soil and Groundwater Pollution Remediation Act, the number of remediation companies specializing in soil and water remediation has grown to over one hundred. Traditionally, remediation approaches have relied on single-method applications, which often result in significant energy and resource consumption, impacting both the environment and the economy. The company emphasizes an integrated approach that adapts remediation methods based on different stages of remediation, different levels of contamination, and various environmental conditions. This dynamic strategy of adapting integrated methods has gained the recognition and trust of both public authorities and the private sector.

(III) Technology, Research and Development

1. Research and development investment for 2024: NT\$50,590 thousand.
2. R&D expenses for 2025 as of the publication date of the Annual Report: NT\$8,816 thousand.
3. Successfully developed technologies or products.
 - (1) Successfully developed technologies
 - (1-1) GRS Global Recycling System Certification
 - (1-2) #7 AI application in drying process
 - (2) Successfully developed products
 - (2-1) TPO automotive foot mat scratch-resistant rubber cloth
 - (2-2) Development of solvent-free PVC cloth paste
 - (2-3) PP equipment expansion protective cover rubber cloth
 - (2-4) TPO fully recycled shoe leather
 - (2-5) GRS certified TPU foam material
 - (2-6) Antiviral coated leather (medical bed)
 - (2-7) TPO infant car seat leather
 - (2-8) TPO cutting mat
 - (2-9) TPE leather products for car seats
 - (2-10) Silicone coating/laminating composite products
 - (2-11) POE waterproof membrane/pool liners
 - (2-12) TPO anti-slip fabric



(2-13) Bus seats& interior sponge leather

(2-14) PVC wire harness tape (Italy, India)

4. R&D projects in the most recent fiscal year

Unit: NT\$ thousand

Research and Development Project	Current Progress	Research Expenses to be Reinvested	Estimated Time to Complete Mass Production	Major Factors that Influence the Success of R&D in the Future
Energy generation through residual hydrogen	60%	1,000	Before the end of 2026	Equipment and process conditions
Translucent leather/fabric products	50%	600	By the middle of 2025	Formulas and process conditions
Solvent-free surface treatment leather for PVC/TPE	50%	500	By the middle of 2025	Equipment, formulas and process conditions
TPO anti-static transparent film/sheet	50%	500	By the middle of 2025	Equipment, formulas and process conditions
Development of solvent-free TPE cloth paste	75%	500	By the middle of 2025	Equipment, formulas and process conditions
Sponge leather development for Casting-like furniture	25%	500	Before the end of 2025	Formulas and process conditions
Development of third-generation stain-resistant PVC leather	50%	500	Before the end of 2025	Formulas and process conditions
Development of cooling leather for motorcycle seats	25%	300	Before the end of 2025	Formulas and process conditions
Marine soft leather development	75%	200	Before the end of 2025	Formulas and process conditions
Utilizing a 30L PVC polymerization reactor to analyze the impact of various additives on product quality	50%	30	Before the end of 2025	Equipment, formulas and process conditions
New formulations testing in a 30L experimental reactor	50%	30	Before the end of 2025	Equipment, formulas and process conditions
#7 AI application in drying process	100%	0	Before the end of 2024	Equipment and process conditions
TPO automotive foot mat scratch-resistant rubber cloth	100%	0	By the middle of 2024	Formulas and process conditions
Development of solvent-free PVC cloth paste	100%	0	By the middle of 2024	Equipment, formulas and process conditions
PP equipment expansion protective cover rubber cloth	100%	0	By the middle of 2024	Formulas and process conditions
TPO fully recycled shoe leather	100%	0	By the middle of 2024	Formulas and process conditions
GRS certified TPU foam material	100%	0	By the middle of 2024	Formulas and process conditions
Antiviral coated leather(medical bed)	100%	0	By the middle of 2024	Formulas and process conditions
TPO infant car seat leather	100%	0	By the	Formulas and process

Research and Development Project	Current Progress	Research Expenses to be Reinvested	Estimated Time to Complete Mass Production	Major Factors that Influence the Success of R&D in the Future
			middle of 2024	conditions
TPO cutting mat	100%	0	By the middle of 2024	Formulas and process conditions
TPE leather products for car seats	100%	0	By the middle of 2024	Formulas and process conditions
Silicone coating/laminating composite products	100%	0	By the middle of 2024	Materials, equipment and process conditions
POE waterproof membrane/pool liners	100%	0	Before the end of 2024	Formulas and process conditions
TPO anti-slip fabric	100%	0	Before the end of 2024	Formulas and process conditions
Bus seats& interior sponge leather	100%	0	Before the end of 2024	Formulas and process conditions
PVC wire harness tape (Italy, India)	100%	0	Before the end of 2024	Formulas and process conditions

(IV) Long-term and Short-term Business Development Plans

1. Short-term plans:

VCM:

Increasing storage capacity for raw materials and finished products, implementing rigorous production and sales management to maintain stable high output and quality, and actively developing reliable sources of raw materials. These efforts are aimed at minimizing losses and strengthening the company's position during periods of market weakness.

PVC resin:

(1) In 2024, the Company actively fostered cooperative relationships with key customers, successfully maintaining its domestic sales market share. In 2025, we will continue to expand our customer base and focus on high-value industries, working closely with downstream customers, especially building material producers, to participate in domestic public projects. This strategic approach will further stabilize PVC resin supply.

(2) By flexibly leveraging product diversification and the division of labor between the Toufen and Linyuan plants, the company aims to fragment the market and customer base while screening for customers with strong credit ratings. Additionally, the company will strengthen sales and distribution channels in key markets. Increasing direct sales to manufacturers will help balance market fluctuations during peak and off-peak seasons, mitigate the risk of order



concentration with traders, and address inventory challenges caused by low-price competition from China.

Chlor-alkali:

- (1) In 2024, domestic demand for industrial chemicals grew by 3% compared to 2023. The price of liquid alkali in Asia saw a moderate increase in the second half of the year, driven by rising alumina production rates in China and Southeast Asia. In 2025, we will continue to strengthen partnerships with key customers, including TSMC, and enhance sales channel relationships. Our production and sales strategy will focus on improving customer service quality, ensuring stable supply, and increasing sales volume.
- (2) To tackle competition from imported products, both in terms of increased import volumes and pricing, the sales strategy for 45% liquid alkali emphasizes continuously strengthening relationships with core customers and maintaining price flexibility to safeguard market share.

PVC processed products:

- (1) Optimize the pipe product portfolio to increase the market share in the construction pipe sector and actively participate in the supply for public projects to enhance profitability.
- (2) Promote the application of functional products made of environmental protection materials, enhance the added value of products and brand image, and pursue material innovation to enhance sales volume and benefits.
- (3) The Company will enhance product awareness and expand business opportunities for plastic leather/sheets through media advertising, website design, and participation in various major exhibitions.
- (4) The Company will form cross-industry alliances to develop high-performance products, enhance the supply advantages of various types of leather, expand product portfolios, and promote horizontal integration across industries to strengthen product competitiveness.
- (5) Upgrade the FORBID anti-fouling agent by improving the formula to enhance anti-fouling effects, and develop water-based formulations and matte finishes to expand market demand.
- (6) Stable operation in the North American agricultural machinery interiors and seat leather sector, with ongoing development of new products to compete for annual sole sourcing from major North American tractor seat manufacturers. Developed a modular product promotion strategy to increase direct customer engagement, thereby helping to drive increased sales. In addition to the existing OEM

truck market, further efforts will focus on developing electric vehicle seats, flame-retardant and smoke-suppressant leather for public transportation, and interior leather to expand the scope of product applications.

- (7) Upgrade the anti-mold formula for marine leather to comply with REACH requirements, with an anticipation of sales in the European market. Concurrently, undertake upgrades to the anti-UV formula for marine leather to meet the demands of the U.S. regulatory OEM marine leather market.
- (8) The Company will improve formulas and related labels in line with regulatory requirements of Prop #65 in the North American market; hence, market operations in this region are expected to be sounder and more robust.
- (9) Strengthen product greening and recycling for reuse, in compliance with the Global Recycled Standard (GRS), by continuing to optimize the upgrading of eco-friendly materials such as TPO and TPU. These materials are primarily marketed to environmentally conscious industries, including furniture, marine applications, automotive and motorcycle seating, car floor mats, exhaust ducts, lightweight stain-resistant travel luggage, digitally printed motorcycle seats, baby strollers, antiviral medical beds, and footwear.
- (10) Launched cooling leather, translucent leather and antiviral products and promoted them in markets such as furniture, interior decoration, marine applications, automotive/motorcycle applications, door panels and footwear materials. These innovations in environmentally conscious materials have received positive market feedback, increased brand recognition and expanded product applications.
- (11) Establish a B-to-C sales model to promote high-value-added new products.
- (12) Develop new distribution channels for the automotive tape cloth market in India, with substantial sales growth expected in 2025.
- (13) Participate in trade shows and continue leveraging e-commerce and online platforms to seize market opportunities across various sectors.

Underground water remediation:

In addition to soil and water remediation operations, our services encompass engineering and technical consulting, high-resolution site characterization, monitoring planning for underground environmental around storage tanks, microbial application development, molecular biological testing, and the sale of remediation agents (including biological



agents, biological substrates, emulsified substrates, and compound Potassium permanganate solutions). We strive to provide comprehensive and diversified solutions while staying at the forefront of emerging contaminants and the latest environmental remediation technologies worldwide.

2. Long-term plans:

VCM:

Despite the challenging petrochemical market and broader economic headwinds, a sharp V-shaped recovery remains unlikely in the short term. However, Taiwan VCM Corporation has proactively made structural improvements in process safety, environmental protection and production management, and continuously optimizing energy efficiency and operational effectiveness. In contrast to last year's sharp decline in finished product prices, both raw material and product prices are currently at relatively low levels. Thanks to Taiwan VCM's disciplined production and sales management, the company is well positioned to benefit from the market stabilization, with operating performance expected to improve compared to previous periods.

PVC resin:

The Company will enhance differentiation in product processing and continue to expand selling for special specifications. Obtain BIS quality certification for the Indian market and secure lower ADD rates to enhance competitive advantages in India and Bangladesh.

Chlor-alkali:

Fully utilize existing production capacity; the new hydrochloric acid furnace is beneficial for eliminating bottlenecks in production, improving product quality, laying the solid foundation for the future expansion of chlor-alkali products.

PVC processed products:

- (1) The Company will enhance research on processing technologies and improve equipment and its environment in order to produce differentiated products, thereby segmenting the competitive traditional products.
- (2) The Company will improve the capacity to build machinery and raw materials to produce products with high-added value and expand production capacity for professional products to increase market share.
- (3) The Company will continuously promote products to countries and regions with high economic growth such as Southeast Asia, South Asia, and South America. The product portfolio to be promoted

includes SRT stain-resistant leather, cooling leather, automotive leather and stationery, universal, pool, and adhesive sheets.

- (4) The Company will search for information on fashion and trends to continuously develop trendy emboss and color combinations, and jointly develop new PVC plastic products with industry partners to create a more complete product portfolio and facilitate customer acquisition.
- (5) In line with the updated environmental protection regulations, the Company will continue to engage in formula adjustment and supporting measures, improve its corresponding measures, and optimize equipment to enhance product value.
- (6) The Company will continue the research and promote environmentally friendly materials for industries including shoes, automotive, furniture, marine, flooring, and other product markets. The Company will put efforts to reduce the production cost of environmental protection materials, in order to improve the market competitiveness and acceptance.
- (7) The Company will also continue to monitor changes in Middle East geopolitics, economic and technological competition between the United States and China, and developments in the Russia-Ukraine conflict. Global economic recovery is expected to be slow in 2025, accompanied by increased trade protectionism. Attention will be given to changes in supply and demand trends associated with shifts in downstream production bases. The production process complies with government ESG regulations, promoting environmental sustainability through carbon reduction and recycling initiatives.
- (8) Conduct carbon footprint verification for exported raw materials, key leather and sheet products based on their applications, and domestic building materials to enhance brand competitiveness.

Underground water remediation:

Recognizing that a single remediation technology is often insufficient for site restoration, we focus on integrating multiple technologies into comprehensive site remediation strategies. By combining physical, chemical and biological mechanisms, we have developed a treatment train system that enhances the environmental sustainability of remediation processes. In particular, we emphasize bioremediation methods that utilize proprietary innovations such as long-lasting biodegradable substrates and the cultivation of microbial degradation for specific local pollution. This approach not only advances environmental protection, but also creates mutual benefits for both environmental sustainability and economic efficiency.



II. Analysis of the Market as well as Production and Marketing Situation

(I) Market Analysis:

1. Sales regions and market share for major products

VCM:

For VCM, the ratio of domestic sales to exports to the Company's own use is 8:0:92.

PVC resin:

For PVC resin, the ratio of domestic sales to exports to the Company's own use is 14:77:9. The main export regions are Bangladesh, India, Southeast Asia, Middle East, South America, and Africa.

Chlor-alkali:

Chlor-alkali products are sold mainly to Hsinchu Science Park, Central Taiwan Science Park, and northern regions, accounting for approximately 70% of product sales. The main customers 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.

PVC processed products:

- (1) Construction products: Sales are mainly concentrated on domestic sales. The Company's domestic market share is approximately 18% for PVC pipes while the market share of PVC door panels remain stable.
- (2) Film/sheet: 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) Leather: The ratio of domestic sales to exports is 37:63, while its market share in the domestic market is approximately 28%. These products are exported mainly to North America, Europe, Australia, China, Malaysia and India.

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

VCM:

In the first quarter, some VCM producers in Asia are expected to bring forward or extend maintenance shutdowns due to weak PVC demand. However, inadequate profit margins have created operational challenges for VCM producers, leading to production cuts in response. In the short term, trading activity for VCM remains sluggish, with

cautious procurement and high inventories making price increases difficult. In the medium to long term, market dynamics will depend on the performance of PVC. As the oversupply of PVC stabilizes and inventories decline, the market is expected to bottom out and stabilize. Subsequently, VCM supply is expected to tighten, leading to a potential increase in price spreads.

PVC resin:

- (1) In 2024, the PVC market faced oversupply from China, with aggressive low-price dumping leading to prolonged price stagnation at low levels. Major markets experienced high inventory levels coupled with sluggish demand. Looking ahead to 2025, a series of stimulus measures and monetary easing in China are expected to support the housing market and boost consumer spending. Meanwhile, interest rate cuts in Europe and the U.S., coupled with strong economic growth in India and Southeast Asia, are expected to lead to a gradual improvement in global PVC demand in the second half of the year. These factors are expected to support the upward trend in PVC prices and encourage customers to increase their purchasing volumes.
- (2) In 2025, the domestic market is expected to remain stable due to public infrastructure projects and the Taiwan Power Company's requirement to strengthen the power transmission and distribution network, which supports domestic industries. However, export-oriented downstream processing industries are likely to face challenges due to weak demand in European and US markets and the impact of additional tariffs imposed during the Trump administration, which have constrained export growth across countries. Domestic demand in 2025 is projected to remain flat or grow slightly, with sales volumes increasing modestly compared to 2024.

Chlor-alkali:

Major domestic chemical users such as TSMC are expected to maintain demand growth in 2025. The upstream industries of the semiconductor-driven electronics sector will continue to expand capacity, resulting in a sustained increase in demand.

PVC processed products:

- (1) Construction products: In 2025, the continued implementation of policies to cool the housing market is expected to dampen demand for private construction projects. However, the public construction sector is poised for significant growth, driven by the National Development Council's record allocation of NT\$240.5 billion in



public construction funds, the highest in recent years. This remarkable investment is expected to significantly boost public construction activity, providing a solid foundation for a positive and promising outlook for building materials sales throughout 2025.

- (2)Film/sheet: In 2024, rising shipping costs and raw material prices, coupled with persistent global inflation, continued to exert pressure on the market. Additionally, low-cost exports of competing products from China further compressed market opportunities for other suppliers. Looking ahead to 2025, our company's sheet/film orders will focus on niche products, emphasizing those with unique features or certified quality standards. This strategy allows us to avoid direct competition with Chinese products and strengthen our market position.

Despite the elimination of pandemic-related factors in 2024 and the stabilization of shipping costs and raw material prices, the continued global high inflation and high inventory levels have compressed end-consumer demand. As manufacturers reduced production to adapt, the rapid decline in material demand has affected purchasing power.

Looking ahead to 2025, domestic and international economic conditions are expected to recover gradually each quarter. The product portfolio will continue to focus on niche products while promoting high value-added products. Both domestic and international markets will benefit from a stable customer base with strong long-term partnerships. The development of new products and new markets are expected to gradually yield positive results, supporting a recovery in sales. However, there are potential challenges arising from new tariff policies under the Trump administration in 2025, which may affect the restructuring of the automotive supply chain and pose challenges for the automotive tape and film industry.

- (3)Leather: Looking ahead to 2025, we anticipate continued expansion in domestic sales, particularly in custom products for automotive and motorcycle brands. Additionally, we will strengthen indirect export channels and promote the application of functional new products across various industries. For exports, we will continue to maintain stable operations in the US market, despite competition from lower-priced products from Vietnam, India, Mexico, and China. Through the execution of measures such as new product development, increasing product portfolio, and exploring new

markets by our production and sales teams, we anticipate an increase in sales volume in 2025.

3. Competitive niches

VCM:

Taiwan VCM Corporation is committed to improving process equipment to stabilize production and maximize capacity. By sourcing competitive raw materials and enhancing production efficiency to reduce costs, we aim to expand the overall profit of the industry chain.

The storage tanks at the Kaohsiung Intercontinental Container Terminal were completed, significantly increasing storage capacity. This improvement is expected to result in lower base prices for key raw materials compared to last year, giving Taiwan VCM Corporation a competitive advantage in procurement. The Company will strategically manage inventory levels and stock up when raw material prices are low to strengthen its competitive edge. In addition, active efforts are being made to explore potential export markets, promote cooperation with industry peers, expand production capacity to reduce costs and to diversify sales risks.

PVC resin:

Stable and suitable quality, fast and accurate delivery, full understanding of customer needs and full cooperation are the keys to the Company's competitiveness in domestic sales and export of PVC resin.

Chlor-alkali:

- (1) Long-term cooperation with companies in Hsinchu Science Park and Central Taiwan Science Park has established a great reputation for the Company's quality and services.
- (2) The Company is close to Hsinchu Science Park and Central Taiwan Science Park, and we enjoy advantages in the speed of supply.

PVC processed products:

- (1) Own brand with established brand recognition.
- (2) Sound quality control and after-sales services.
- (3) Wide range of current product lines and downstream sales categories prevent the peak and low seasons of a single industry from impacting overall sales volume.
- (4) Vertical integration for VCM, PVC resin, and downstream processing.
- (5) Comprehensive professional technical talents.
- (6) Comprehensive international sales sites.
- (7) Comprehensive IATF16949 (International Automotive Task Force) and ISO 9001 quality management system provide outstanding quality assurance.



- (8) The Company is able to comply with increasingly rigorous environmental protection regulations such as Prop#65, REACH, RoHS, and GRS to provide a favorable basis for export markets.
4. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures.

VCM:

- Favorable Factors:
 - (1) Vertical integration for VCM and PVC resin.
 - (2) Fully seizing sources of the main raw material EDC and ethylene
 - (3) Effectively manage inventory and production capacity to mitigate operational risks.
- Unfavorable Factors:
 - (1) With the increasingly strict domestic environmental protection policy, accelerated implementation of draft resolutions related to energy conservation and carbon reduction, supporting measures and grace periods were below expectations, thereby limiting the transformation and development of the petrochemical industry.
 - (2) Domestic energy prices continue to rise without decline, and the overall increase has exceeded levels acceptable to petrochemical manufacturers, putting significant pressure on production operations.
 - (3) The unpredictable international situation and frequent extreme weather event the volatile international landscape and the increasing frequency of extreme weather events have led to significant fluctuations in the transportation, pricing, and supply of raw materials. Additionally, the surge in newly added production capacity has resulted in an oversupply, further exacerbating market imbalances.
- Response Measures:
 - (1) Upgrade production equipment, accelerate the improvement and investment of energy conservation, water conservation, electricity conservation facilities, and carbon emissions reduction while improving operation efficiency to maintain high productivity.
 - (2) Continuously communicating with the government about the Company's plan for fulfilling corporate social responsibility and environmental responsibility in order to achieve consensus on related issues.
 - (3) Performing continuous control on the source of competitive raw materials and adopting flexible production and sales strategies in response to evolving market changes.
 - (4) The Company is enhancing its storage capacity for EDC and VCM while carefully managing inventory levels. We are strategically

identifying optimal entry points in the market for procurement and leveraging our vertical integration advantage to maximize overall profitability.

PVC resin:

● Favorable Factors:

- (1) The production of PVC at the Company's Toufen plant and Linyuan plant complement each other, thereby diversifying product features and ensuring faster delivery of goods with sufficient inventory and flexible and rapid delivery.
- (2) Vertical integration for VCM, PVC resin, and secondary processed products.
- (3) Strengthen customer relations and services.
- (4) The Company continues to achieve breakthroughs in production and sales to effectively reduce production costs.
- (5) The Company has embarked on a series of production equipment upgrades, including polymerization tanks and other multifaceted updates. These equipment projects are already underway. The anticipated benefits include an increase in production capacity, enhancement of product quality, reduction in energy consumption, and an expanded capability to produce special types of powder. Each of these advantages is expected to further strengthen the Company's competitive edge.

● Unfavorable Factors:

- (1) U.S. supply remains stable; however, the introduction of new production capacity from China is adding to oversupply and increasing inventory pressure, resulting in a significant supply/demand imbalance in the global PVC market.
- (2) In 2025, the global PVC market is expected to continue to face downward pressure. This risk is primarily driven by the increasing production rates of PVC resin plants in China and the addition of new production capacity. To reduce inventories, Chinese producers are engaging in low-price export competition, disrupting the market order.
- (3) Taiwan and the main PVC consumer countries have not signed the FTA. Compared to China, Japan, Korea and Southeast Asian countries where manufacturers could enjoy tariff preferences, the sales space for products made in Taiwan has been compressed.

● Response Measures:

- (1) The Company actively seeks to meet the downstream processing material needs of markets in Southeast Asia, India, Bangladesh,



South America, and others, aiming to establish stable cooperative relationships.

- (2) The demand for PVC powder in India and Bangladesh is growing rapidly. By actively utilizing channels through agents and traders, the Company is deeply cultivating its customer base and expanding its source of orders. Both BIS and ADD certifications have been obtained in advance, offering the advantage of lower tax rates.
- (3) Proactively applying for various certifications to meet regulatory requirements for raw materials and processed products, as well as to expand business opportunities. The completed or ongoing applications include ISO 14001 environmental management system certification, SGS 2021 greenhouse gas testing declaration, carbon footprint certification.
- (4) Seeking long-term support from key customers in each region.
- (5) Enhance product quality, develop distinctive products, and differentiate market marketing.
- (6) Streamlining organizational operations, improving operational efficiency and enhancing customer service.

Chlor-alkali:

- Favorable Factors:
 - (1) The Company has made long-term efforts to build product quality that consistently meets the needs of its customers.
 - (2) Key customers are actively expanding their production capacity, while overall market demand continues to show steady and sustained growth.
- Unfavorable Factors:
 - (1) The domestic hydrochloric acid market is impacted by the increase in the production of secondary hydrochloric acid which arose from the increased production volume of potassium sulfate plants.
 - (2) The domestic caustic soda market faces competition from China imports, with price pressures eroding profits.
- Response Measures:
 - (1) Segmenting sales markets to establish stable sales and distribution channels.
 - (2) Continuously increasing production quality and efficiency, and optimizing production and sales planning.

PVC processed products:

- Favorable Factors:
 - (1) Vertical integration of upstream and downstream processing.
 - (2) Sound quality control and after-sales services with own brand.
 - (3) Comprehensive professional technical talents.

- (4) The environmentally friendly materials have obtained Global Recycle Standard (GRS) certification; automotive leather has received IATF16949 certification.
 - (5) Research and development in new high value-added and environmental protection products.
 - (6) Continuous improvement of equipment, process, and quality.
 - (7) Establish overseas sales locations and shore up sales channels to expedite market expansion.
 - (8) The Company has printed its identification labels on PVC leather and PVC sheets sold domestically and abroad in order to increase brand awareness and effectively increase customers' willingness to purchase.
 - (9) The continuous research and development and promotion of environmentally friendly materials contribute to enhancing product differentiation and market promotion. In 2025, plans are underway to launch new product promotions in the Americas for the furniture and ship interior markets, with an expectation of increased profits and performance in the American market.
 - (10) Apply surface resin processing technologies and expand applications to PVC leather, film/sheet and other products. The Company is expected to increase sales volume in the agricultural machinery internal furnishing market and seats market in the United States.
 - (11) Accelerate the promotion and application of cooling leather products in outdoor seat upholstery.
- Unfavorable Factors:
 - (1) The development of high-value-added and differentiated products is not yet complete, and technological advancement is still needed.
 - (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 America are becoming increasingly stringent. In North America, there are restrictions on the addition of flame retardants to furniture leather, necessitating adjustments to product formulations and the reorganization of sales regions.
 - (5) The competition between low-priced products in the same industry at home and abroad and the tariff barriers set by various countries have set up bottlenecks in the Company's plan for market expansion.



- (6) Some markets require replacement materials for PVC (for example, R-PVB).
- (7) Frequent port strikes have introduced significant uncertainty into shipping costs, while currency exchange rate fluctuations continue to undermine the competitiveness of export markets.
- Response Measures:
 - (1) Win public projects and obtain rights to supply building materials for private construction projects.
 - (2) Continuously research and develop environmentally friendly materials and high added-value products. Establish and obtain the Global Recycle Standard (GRS) certification for environmentally friendly materials to enhance competitiveness.
 - (3) Segmenting sales by product and market to acquire markets for high value-added products.
 - (4) Continuing to reduce production costs and improve production technology. Building VOC treatment equipment to meet regulatory requirements and significantly improve product competitiveness.
 - (5) Actively developing new products and applying for patents for inventions or new types of patents.
 - (6) Developing business opportunities in emerging markets and launching new products to capture market share.
 - (7) Using the successful high-end product portfolio in North America to make promotion in other shipping or furniture markets overseas; the main target regions are Europe, Australia, and Asia.
 - (8) Cooperating with U.S. professional channels of OEM automotive leather and leveraging their profession to accelerate market entry into the automobile industry supply chain.
 - (9) Establishing strategic alliances with domestic and overseas brands, as well as developing and promoting new materials.
 - (10) Engaging in information exchange about products and horizontally promoting featured products from different regions to markets across the five continents.

(II) Important uses and production processes of major products

1. VCM:

VCM is mainly used to produce PVC resin and the main material is EDC. VCM and hydrochloric acid are produced in cracking. Ethylene, oxygen, and hydrochloric acid produce EDC via oxychlorination (reverse reaction).

2. PVC resin:

PVC resin is mainly used for producing flexible film/sheet, leather, rigid film/sheet, rigid pipes, and extrusion construction products. The materials include VCM, initiators, and dispersants and it is produced through

polymerization and drying processes.

3. Chlor-alkali:

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, which is 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.

4. PVC construction products:

Production of PVC pipes, foamed PVC pipes, door panels, and foamed door panels and sewer lining mainly for buildings (water pipes, rain/ sewage drainage pipes, wire-protection sleeves, room door, bathroom door and panels), public construction projects (water supply and drainage construction, wire-protection sleeves, and wastewater sewage construction). Raw materials include PVC resin and stabilizing agents which undergo procedures including mixing, gelatinization, extrusion, cooling, and cutting flaring.

5. Soft PVC film/sheet:

They are used for the production of plastic cloths, half-rigid cloths, transparent cloths, waterproof membranes, swimming pool cloths, net cloths, blowing cloths, adhesive cloths, furniture cloths, advertisement cloths, screen cloths, raincoat cloths, tablecloths, shower curtain cloths, and curtain cloths. They are produced from PVC resin, plasticizers, and other auxiliary materials which are mixed under low or high temperature before undergoing procedures including gelatinization, filtering, deferred pressure, cooling, and coiling extraction. They can also be printed or attached with other materials to increase added value.

6. Rigid PVC film/sheet:

They are used for the production of vacuum forming, pharmaceutical packaging, cooling tower baffle, inner lining, panel cloth, protective cloth, printing cloth, stationery cases, and ceiling foil. They are produced from PVC resin 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 printed to increase added value.

7. Leather:

We produce foaming sponge leather, non-foaming PVC leather, and leather with surface processing and needle holes for ventilation. They are mostly used as covering for seats for various cars, motorcycles, bicycles, and boats, sofas, SPA coverings, shoe leather, baseball gloves, sports equipment, and covering for medical seats. They are produced from (1) PVC resin, plasticizers, and other auxiliary materials, (2) non-PVC eco-friendly materials which undergo procedures including mixing, gelatinization, filtering, pressing



with plastic cloth machines, adhesive backing, pattern printing, and foaming with foaming furnaces or patterning with patterning machines. They can also undergo secondary surface printing, stain-resistance, anti-slip, and anti-scratching or other special treatments to increase added value.

(III) Supply of Major Raw Materials

1. The main raw materials of VCM are EDC and ethylene. Long-term contracts have been signed with suppliers to ensure a stable supply of these raw materials.
2. The main raw material of PVC resin is VCM, which is produced by the Company for its own use.
3. The main raw material of alkali-chlorine is industrial salt. Long-term contracts have been signed with suppliers to ensure a stable supply of these raw materials.
4. The main raw material of PVC film/sheet and leather are PVC resin and plasticizers, and the supply status is as follows:
 - (1) PVC resin: PVC resin is mostly produced and used by the Company and only small quantities are purchased from external sources.
 - (2) Plasticizers: They are mainly supplied by Nan Ya Plastics Corporation, and special plasticizers are purchased from abroad.
5. The main raw material of PVC construction products is PVC resin, which is mainly self-produced and supplied, and thus the source of this raw material is stable.

(IV) Setting forth the names of any THE customers that have purchased 10 percent or more of the Company's purchase (sales) in either of the last two years, and the amount and proportion, and indicate the reasons for increase and decrease:

1. Suppliers with Purchase Amount Exceeding 10% of Total Purchase in the Most Recent Two Years (Note 1):

Unit: NT\$ thousand

	2023				2024				Q1 2025 (Note 2)			
Item	Name (Note1)	Amount	Ratio to the Net Purchases of Goods [%]	Relationship with the Issuer	Name (Note1)	Amount	Ratio to the Net Purchases of Goods [%]	Relationship with the Issuer	Name (Note1)	Amount	Ratio to the Net Purchases of Goods of the First Quarter of the Current Year [%]	Relationship with the Issuer
1	Company A	995,374	12.63%	None	Company A	1,411,819	21.13%	None	Company A	215,888	16.34%	None
2	Company B	1,107,660	14.06%	None	Company B	1,375,054	20.58%	None	Company B	173,582	13.14%	None
3	Company C	1,314,704	16.69%	None	Company C	1,205,614	18.04%	None	Company C	386,119	29.23%	None
4	Company D	872,122	11.07%	None	Company D	428,505	6.41%	None	Company D	145,119	10.99%	None
5	Others	3,589,668	45.55%	(Note 3)	Others	2,261,684	33.84%	(Note 3)	Others	400,309	30.30%	(Note 3)
	Net Purchases	7,879,528	100%		Net Purchases	6,682,676	100.00%		Net Purchases	1,321,017	100.00%	

Note 1: List the name of suppliers who account for more than ten (10) percent of the total purchases of goods and their amount and proportion of purchase 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, their codes shall be indicated.

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 TPEX were recently audited or reviewed by CPAs, such information should be disclosed.

Note 3: No suppliers who account for more than ten (10) percent of the total purchases of goods. Proportion of purchases from related parties: 2023: 10.42%; 2024:5.47%; First quarter of 2025: 0.31%.

* Reasons for increase and decrease in purchases: Considering the supply volume, prices, delivery time, the Company's production plan and inventory, the purchase amount from different suppliers varies each year.

2. Customers with sales amount exceeding 10% of total sales in the most recent two years (Note1):

Unit: NT\$ thousand

	2023				2024				Q1 2025 (Note 2)			
Item	Name (Note1)	Amount	Ratio to Annual Net Sales of Goods [%]	Relationship with the Issuer	Name (Note1)	Amount	Ratio to Annual Net Sales of Goods [%]	Relationship with the Issuer	Name (Note1)	Amount	Ratio to the Net Sales of Goods of the First Quarter of the Current Year [%]	Relationship with the Issuer
1	There are no customers accounting for more than 10% of the total sales.				Company A	1,215,377	10.96%	None	There are no customers accounting for more than 10% of the total sales.			
2					Others	9,871,348	89.04%	(Note 3)				
					Net sales	11,086,725	100%					

Note 1: List the name of customers who account for more than ten (10) percent of the total sales and their amount and proportion of sales in either of the most recent two years. However, if the name of suppliers or counterparties who are individuals or non-related persons cannot be revealed due to contractual agreements, their codes shall be indicated.

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 TPEx were recently audited or reviewed by CPAs, such information should be disclosed.

Note 3: Non of the customers who account for more than ten (10) percent of the total sale. Sale to stakeholder: 0.04% in 2024.



III. Employee Information

Information on employees in the last two years and as of the printing date of the annual report

Year		2023	2024	March 31, 2025
Number of Employees	Staff	345	346	338
	Workers	541	515	482
	Total	886	861	820
Average Age		46	46	46
Average years of services		18	17	17
Percentage Distribution of Academic Qualifications	Doctorate/ Master's	10%	11%	15%
	Bachelor's	33%	35%	35%
	Junior College	14%	14%	13%
	Senior high school	40%	37%	35%
	Below senior high school	3%	3%	2%



IV.Information Regarding Environmental Protection Expenditure

(I) Total amount of losses (including compensation and violations of environmental protection regulations in the results of environmental protection audits; the date of the penalty, penalty document number, articles in regulations violated, contents of violation, and contents of penalties) and penalties incurred due to environmental pollution in the most recent fiscal year up to the publication date of this annual report:

March 31, 2025

Date of disciplinary action/Document No.	Regulation Violated	Disciplinary Amount (NT\$ thousand)	Facts violated	Improvement Measures
June 27, 2024 Environmental Protection Bureau of Kaohsiung, Air Pollution Control Division Document No. 20-113-060051.	Air Pollution Control Act Article 20, Paragraph 1	225	During inspections, a component was detected with a concentration of 3,402ppm, exceeding the regulatory limit stipulated in Article 4 of Kaohsiung City's Volatile Organic Compound (VOC) Control and Emission Standards.	In response, the component has been replaced, and a comprehensive reassessment of all facility components has been conducted to prevent omissions. Additionally, self-monitoring measures have been reinforced to ensure compliance.
June 27, 2024 Environmental Protection Bureau of Kaohsiung, Air Pollution Control Division Document No. 20-113-060052.	Air Pollution Control Act Article 23, Paragraph 1	225	The liquid surface in the process wastewater collection trench was exposed to the atmosphere, and testing detected a VOC concentration of 3,141 ppm, exceeding the regulatory limit stipulated in Article 38 of the VOC Air Pollution Control and Emission Standards.	The wastewater treatment facility trenches have been inspected, and covers have been added to uncovered areas. In addition, vibration-dampening seals were installed on the trench covers to minimize VOC emissions.
November 20, 2024 Environmental Protection Bureau of Kaohsiung, Air Pollution Control Division Document No. 20-113-110050.	Air Pollution Control Act Article 24, Paragraph 2	160	During an inspection on March 26, 2024, it was found that the exhaust gas flow directed to the tail gas treatment facility at Taiwan VCM Corporation's Linyuan plant was 85.0356 kg/hour from March 19 to March 26, exceeding the permitted operating limit of 31.68 kg/hour. A corrective action has been mandated for completion within 90 days.	Apply for permit updates.
December 10, 2024 Air Quality and Noise Control	Air Pollution Control Act Article 32,	450	After the fire incident on October 19, 2024, the post-fire residual waste was	Removed post-fire residual waste.

Date of disciplinary action/Document No.	Regulation Violated	Disciplinary Amount (NT\$ thousand)	Facts violated	Improvement Measures
Division Document No. 1130065767.	Paragraph 1, Clause 1		re-ignited on November 8, 2024, emitting particulate pollutants.	
December 24, 2024 Fire Investigation Division Document No. 1130020833.	Fire Services Act Article 15, Paragraph 2	300	Outdoor tank storage of Class 4 public hazardous materials had pipe penetrations through the containment berm.	Cut and sealed pipes penetrating the containment berm.
December 24, 2024 Disaster Rescue Division Document No. 1130020757.	Fire Services Act Article 21-1, Paragraph 1, Clause 1	600	Failed to provide essential rescue information to the fire commander during a fire on November 8, 2024.	Provided essential rescue information to the fire commander in compliance with regulations.
January 9, 2025 Environmental Protection Bureau of Kaohsiung, Air Pollution Control Division Document No. 11430442200.	Air Pollution Control Act Article 20, Paragraph 1	1,650	Samples collected on December 13, 2023 during peripheral boundary testing indicated VOC levels of 419 ppb for chloroform and 152 ppb for 1,2-dichloroethane, exceeding standards of 90 ppb and 150 ppb, respectively.	A project to enhance the efficiency of the air stripping tower for wastewater pretreatment and a project to reduce VOC emissions by lowering the temperature of raw wastewater were implemented and successfully completed during the scheduled maintenance in September 2024.
January 9, 2025 Environmental Protection Bureau of Kaohsiung, Air Pollution Control Division Document No. 11430442201.	Air Pollution Control Act Article 20, Paragraph 1	100	On March 26, 2024, inspections detected VOC concentrations of 2,983ppm, 3,662ppm, 2,497ppm, and 2,334ppm at four equipment components, exceeding the regulatory limit of 2,000ppm set by Kaohsiung City's Volatile Organic Compound (VOC) Control and Emission Standards.	The improvement was completed on March 27, 2024. Perform two external inspections per quarter and establish a comprehensive tracking system for components that exceed established standards, ensuring continuous monitoring and progress evaluation.
January 9, 2025 Environmental Protection Bureau of Kaohsiung, Air Pollution Control Division Document No. 11430442202.	Air Pollution Control Act Article 24, Paragraph 2	100	During an inspection on March 26, 2024, it was discovered that a vent gas pipeline connected the hydrochloric acid generator (E010) and the buffer tank (E048), which was not specified in the operating permit.	The orange vent gas pipeline from E010 has since been removed.



(II) Corresponding countermeasures (including possible improvement measures of current and future) and possible expenditures:

1. Environmental protection policies:

- (1) To comply with relevant environmental protection and occupational safety and health regulations and relevant requirements derived from such regulations.
- (2) To continuously conserve and reuse resources and energy, and reduce industrial waste.
- (3) To prevent pollution, reduce potential risks in operations.
- (4) To continuously provide employees with education and training, and carry out work related to environmental protection and occupational safety and health.
- (5) To actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in work related to environmental protection and occupational safety and health.
- (6) To thoroughly implement environmental management system to enhance environmental performance and reduce environmental safety risks in communities.

2. Expected environmental protection expenditures:

Unit: NT\$ thousand

Year	2025	Amount
Item	1. Operating and maintenance charges for waste gas treatment equipment	60,000
	2. Industrial waste cleanup and disposal charges	18,000
	3. Air pollution prevention charges	16,000
	4. Carbon fee	9,000
	5. Operating and maintenance charges for wastewater treatment equipment	4,000
	6. Regular applications for inspection of stationary sources of pollution	4,000
	7. Toxic chemical substances testing fee	120
Expected expenditures		111,120

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

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

V. Labor Management Relations

(I) The Company's employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees:

1. Employee welfare measures:

The Company's salary system determines employees' salaries in accordance with the employees' academic background, expertise, skills, and seniority. It does not discriminate between genders, religions, races, or political affiliations. In addition to fixed wages, employees' salaries also include performance bonuses, year-end bonus, etc.

The Company makes annual salary adjustments according to profitability. The average employee pay rise for 2024 was about 3.08%. Employee remuneration shall not be less than one percent of the distributable profit for the fiscal year. On March 5, 2024, the board of directors approved the proposed distribution of employee remuneration for the fiscal year 2023, amounting to NT\$3,130 thousand.

The Company regularly arranges health checkups every year. The head office in Taipei is equipped with a gym and shower rooms. The plants are staffed by certified nurses to provide their employees with health care and medical assistance. Female employees are provided with menstrual leave and independent spaces for nursing. We cooperate with childcare services to provide childcare services.

Toufen Main Plant includes single dormitories and dormitories for family members for employees who are citizens of the country. They can be used by employees who live outside the area for long periods of time. The dormitory is equipped with recreational facilities such as basketball courts, table tennis rooms, and lounges.



Employees' applications for unpaid parental leave can be submitted before their children reach the age of three and the leave can be extended for up to two years.

The Company has established the Employee Welfare Committee and sets aside funds 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. Employee education and training:

- (1) The Company has formulated employee training regulations. We regularly conduct surveys on employee training needs every year in accordance with the regulations and formulate annual training plans. The Company also prepares budgets for training and conducts various types of training. All employee training in professional skills, management skills, and seminars are included in the scope of training. Employees can improve their skills and knowledge through supervisors' instructions, onsite instructions, and digital 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. Employees with potential are administered training for trainee supervisors to train base-level supervisors.
- (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.

(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 the employee's performance appraisal. At the end of each course, the Company conducts employee opinion surveys and prepares review reports. Satisfaction surveys are conducted from time to time to collect employees' opinions and recommendations on employee training as a reference for improving training.

(5) Employee training implementation status: A total of 7,210 participants took part in training programs in 2024, and training fees totaled NT\$2,831 thousand.

Training Name	Training Participant	Training Name	Training Participant
Carbon Credit Trading Mechanism and Carbon Management Applications	Relevant Staff Members	Discussion on Basic Design Documents for Equipment Renewal and Replacement Project	Engineering Department Personnel
Digital Transformation Paving the Way for an AI-Driven Future – Case Studies on Generative AI Applications	Relevant Staff Members	Comprehensive Solution for Systematic Optimization of Advanced Manufacturing Processes	Designated Personnel
Integrity Seminar: Insider Trading Practical Cases and Related Legal Liabilities	General Staff	Respiratory Protective Equipment Fit Testing – Train-the-Trainer Program	Designated Personnel
Integrity Seminar: Understanding Workplace Misconduct for Managers	Relevant Staff Members	Case Study on Incident Investigation Procedures, Hazard Identification, Risk Assessment, and Control	Relevant Staff Members
Integrity Seminar: Product Liability without Fault!?	Relevant Staff Members	Initial Training for Fire Prevention Managers	Relevant Staff Members
Introduction to Letter of Credit Insurance and Case Studies on International Trade Fraud	Relevant Staff Members	Social Engineering Drills: Email Security and Email Scams Prevention	Relevant Staff Members
Integrity Seminar: Protection and Reasonable Use of Patents	General Staff	Integrity Seminar: Ethical Awareness in the Workplace	Relevant Staff Members
Integrity Seminar: Preventing Workplace Misconduct	Relevant Staff Members	Long-Term Care Information and Resources	General Staff
2024 Industrial Pipeline System Hands-On Simulation Training	Relevant Staff Members	Level A and Command Level Toxic and Concerned Chemicals Emergency Response Personnel On-the-Job Training	Professional Technical Personnel
25kg Packaging Machine Operation Guidelines	Raw Material Storage and Transportation Section Staff	First Aid Personnel Training Program	First Aid Team Members
GCHS Gas Chromatography and Headspace Gas Analyzer – Fundamentals and Applications	Designated Personnel	Pump Maintenance Procedures and Shaft Seal Cooling Water Usage	Relevant Staff Members
API570 Pipeline Inspection and Maintenance Practical Training	Relevant Staff Members	Raw Material/Material Inspection, Development Testing Re-training	Inspection Section personnel
CMMS System User Guide	Relevant Staff Members	Polymerization Process Training and Occupational Safety Awareness Program	Polymerization division personnel
DCS Panel Control Principle and Operation Training	Relevant Staff Members	Heavy Machinery Operation: Loader Training	Operators
ESG Personnel Training	Designated Personnel	Fan Principles and Maintenance Training	Repair Section Personnel



Training Name	Training Participant	Training Name	Training Participant
IATF 16949 Automotive Product Quality Management System – Internal Auditor Training	Internal Audit Personnel	ISO 14001: 2015 Environmental Management System and Internal Auditor Training	Internal Audit Personnel
Pure Water System Operation Training	Utility Section Personnel	Vibration Principles Training	Engineering Personnel
IFRS S1/S2 Sustainability Disclosure Standards Training	Relevant Staff Members	Specific Chemical Supervisor Re-training	Relevant Staff Members
ISO 14064-1: 2018 Greenhouse Gas Inventory and Carbon Management Certification Course	Relevant Staff Members	Confined Space and Oxygen Deficiency Safety Training for Workers	Operators
Advanced Negotiation Skills	Relevant Staff Members	Fundamentals of Pneumatic Conveying Systems for Powder and Granular Materials	Engineering Personnel
ISO 9001: 2015 Quality Management System Clauses and Internal Auditor Training	Internal Audit Personnel	High-Pressure Gas Specific Equipment Operator Occupational Safety Training	Related Operation Personnel
On-the-Job Training and Subordinate Development	Staff at Section Chief Level and Above	Energy Management Personnel Training	Relevant Staff Members
Internal Auditor Training for ISO 9001, ISO 14064-1, ISO 45001, and ISO 50001	Internal Audit Personnel	Health Risk Assessment Specialist Initial & On-the-Job Training	Relevant Staff Members
ISO 14097: Analysis of Climate Change Investment and Financing Evaluation & Reporting Standards	Relevant Staff Members	Net-Zero Carbon Strategies: Geothermal Energy and Carbon Sequestration Technology Development	Relevant Staff Members
ISO System Management Training (Including Policy and Objective Management Programs)	Relevant Staff Members	Health Promotion Seminar: 2024 On-Site Health Checkup Analysis & Prevention of Lower Back and Neck Pain	Relevant Staff Members
SCE Safety-Critical Equipment Screening Training	Designated Personnel	Product Carbon Footprint Education and Training	Designated Personnel
TRCA Mutual Aid Group Training	Relevant Staff Members	Problem Analysis and Solution Workshop	Relevant Staff Members
UV-VIS Spectrophotometry Fundamentals Course	Inspection personnel	Training Course for PVC Sheet Machine Principle, Practical Operation and Maintenance	PVC Sheet and Leather Section 1 Staff
General Labor Safety and Health Training Course	General Staff	Forklift Operator Training Course	Operators
Acetylene Fusion Welding Equipment Operators Training Course	Operators	Special Lecture: Smart Petrochemical Industry	Relevant Staff Members
Class A and Class B Boiler Operators Training	Operators	From Concept to Market: B2C Product Development in Corporate Groups	Relevant Staff Members
Ethylene Underground Pipeline Emergency Response Drill	Relevant Staff Members	Talent Development Planning and Team Member Training Design	Staff at Section Chief Level and Above
Refresher Training for Class A, B and C Occupational Safety and Health Business Supervisor	Relevant Staff Members	Common Civil Engineering Construction Deficiencies & Fundamental Reinforcement for VCM Spherical Tanks	Engineering Department Personnel
HR Management and Personnel-Related SOP Training	Relevant Staff Members	Equipment Disassembly and Assembly Procedures Overview	Relevant Staff Members
Crane Operator Training for Fixed Cranes Over Three Metric Tons	Fixed Crane Operators	PVC Sheet Factory Electrical Isolation and Transfer Operations Drill and Safety Awareness Training	PVC Sheet Factory Staff
Best Practices for Supervising Civil and Architectural Engineering Construction & Inspection Points for Steel Structures.	Engineering Department Personnel	Corporate Training Platform User Guide and Training Request Survey Filling Instructions	Relevant Staff Members

Training Name	Training Participant	Training Name	Training Participant
Commonwealth Leader Campus	Relevant Staff Members	Natural Gas Boiler Operation Education Training	Utility Section Personnel
Loader Refresher Training	Operators	Weight Management and Fitness Program	Relevant Staff Members
High-Flow Mobile Fire Cannon Training	Designated Personnel	Fermenter Operation Training	Relevant Staff Members
Workplace Safety Case Studies & Customer Quality Control Requirements	Leather II Section Staff	Shaft Seal Maintenance Training	Material and Utility Division
Work Safety Permit Training	Designated Personnel	Corporate Internal Carbon Pricing Training	Relevant Staff Members
Machine Learning and Digital Decision-Making in Chemical Engineering	Relevant Staff Members	Building High-Performance Teams	Relevant Staff Members
Have You Taken a Break Today? Stress Relief and Relaxation Workshop	General Staff	Corporate Product Overview: Recycled Plastic Anti-Corrosion Coatings	Relevant Staff Members
Senior Air Pollution Control Personnel Initial, Onboarding, and Continuing Training	Relevant Staff Members	Corporate Product Overview: Glass Wool Building Materials & Eco-Friendly PVC Materials	Relevant Staff Members
Corporate Product Overview: Introduction and Applications of Ferrite Cores and Silicon Carbide	Relevant Staff Members	Corporate Product Overview: Business Rejuvenation	Relevant Staff Members
Official Document Preparation and Case Studies	Relevant Staff Members	Inspection and Certification Comparisons and Practice Training (1~4)	Inspection Section personnel
Flexible Freight Bags Packaging Machine Operation Guidelines	Raw Material Storage and Transportation Section Staff	Training for Newly Purchased Salt Loader Truck	Chlor-Alkali Section personnel
Solar Energy Emergency Response and Maintenance Training	Electronic Control Section personnel	Energy Conservation and Carbon Reduction Workshop – Chang Chun Experience Sharing	Relevant Staff Members
Promoting Corporate Sustainability through Risk Management	Audit Representatives	Electrical Safety and Electrocution Prevention Training	Instrumentation and Electrical Section personnel
PVC Powder Production Process and Key Quality Considerations	Designated Personnel	Training for Laboratory Certification Standard ISO/IEC 17025	Relevant Staff Members
Processed Product Quality Control and Customer Complaint Handling	Processing and Manufacturing Section Staff	Emergency Power Supply System Operation Overview	Relevant Staff Members
Building Material Extrusion Machine: Pipe and Door Panel Production Principles & Processes	Processing and Manufacturing Section Staff	Emergency Suppressants Deployment	Relevant Staff Members
Building Materials Formulation and CNS Standards Overview	Processing and Manufacturing Section Staff	Process Safety Management (PSM) Overview	Process Safety Staff
Heating Furnace and Hand-Operated Pressure Pump Training	Instrumentation and Electrical Section personnel	Zero-Discharge Process Wastewater Recycling System Overview	Relevant Staff Members
Class A Wastewater Treatment Specialist Training Program	Responsible Personnel	Material Requisition and Dispatch System Workflow	System Users
Class A Waste Management Technical Personnel Training	Professional Technical Personnel	Instrumentation and Electrical Maintenance Training & Safety Awareness	PVC Sheet Maintenance Section Personnel
Goal Setting and Strategic Planning	Relevant Staff Members	Instrument Calibration and Quality Training	Quality Control Section Staff
Corporate Sustainability Elite Training Class	Designated Personnel	Learning Business Strategy from Liu Bowen and Fan Wencheng	Relevant Staff Members



Training Name	Training Participant	Training Name	Training Participant
Challenges and Strategies for Managing Frontline Workforce in Enterprises	Relevant Staff Members	Introduction to Inkjet Printing Equipment	Processing Technology Section Staff
Hazard Identification, Risk & Opportunity Assessment, and Control Management Training	Designated Personnel	Offsite Long-Distance Pipeline Maintenance and Operation Procedures	Relevant Staff Members
Workplace Safety, Health, and Emergency Response Training	Relevant Staff Members	Training on High-Pressure Inflatable Leak-Sealing Pads for Tank	Relevant Staff Members
Radiation Protection Annual Refresher Training	Designated Personnel	Steps and Precautions for Replacing Thermal Oil Pumps	Maintenance personnel
Effective Leadership: How to Identify and Recognize Talent Accurately	Relevant Staff Members	PVC Film/Sheet Inspection Operations- AOI Equipment	PVC Sheet Technical and Product Section Personnel
Automated Warehouse Equipment Operation Guidelines & ERP Integration	Raw Material Storage and Transportation Section Staff	Standard Operating Procedures for Replacing Thermal Oil Circulation Pumps in the PVC Film/Sheet Plant	Maintenance Section Personnel
Occupational Safety and Health Continuing Education for Hazardous Operation Supervisors	Operation Supervisor	Discussion on Basic Design Documents for Equipment Renewal and Replacement Project	Engineering Department Personnel
Effective Motivation and Leadership	Relevant Staff Members	Introduction to Basic Financial and Cost Management	Relevant Staff Members
Precautions for Working with Organic Solvents	Inspection Section personnel	Mechanical Maintenance Training and Workplace Safety Awareness	Maintenance Section Personnel
Environmental Testing Institution – Training for Certified Report Signatories (General Course)	Relevant Staff Members	Business Continuity Planning (BCP) Practical Writing and Instructor Training	Designated Personnel
Self-Defense and Fire Marshalling Team Training	Firefighting Group Personnel		

3. Employee retirement system:

- (1) The Labor Pension Act was effective on July 1, 2005. The retirement pension provisions of the Labor Standards Act continue to apply to incumbent employees and a Labor Pension Reserve Fund Supervision Committee was established. Every month, 10% of each employee's salary is allocated to the pension reserve fund, and retired employees can receive their pension in accordance with the law.
- (2) After the implementation of the Labor Pension Act, for all new employees and incumbent employees who choose to follow the applicable retirement pension system stated in the Labor Pension Statutes, or for incumbent employees who choose to follow the applicable retirement pension system stated in the Labor Standards Act but choose to follow the retirement pension system stated in the Labor Pension Act again within five (5) years, the Company shall allocate and save six (6) percent of each employee's salary every month into the personal labor pension account set up for each employee by the Bureau of Labor Insurance.

- (3) Employees can also voluntarily contribute another six (6) percent of their individual salaries every month separately as retirement pension. The voluntary pension contribution shall be fully deducted from the employee's total comprehensive income for the year.
- (4) After choosing to follow the retirement pension system stated in the Labor Pension Statutes, employees shall not be allowed to switch to the retirement pension system stated in the Labor Standards Act again.
4. Employer/employee agreement and protection of various employee rights:

The management attends meetings of the corporate union board of directors each month. The Company has established the Regulations Governing the Handling of Employee Complaints, Opinions and Feedback and organizes periodic Labor-Management meetings to listen to employees' opinions and effectively resolve labor-management issues.
5. Related certifications obtained from the relevant competent authorities by personnel associated with the transparency of financial information:

Departments	Name	Relevant Study Certifications
Accounting Division	Li, Chun-Feng	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges, Accounting Research and Development Foundation (2024/09/12~2024/09/13)
Auditing Division	Kang-Nien Chiang	International certified internal auditor (CIA)

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 an 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 education on work ideals, ethics, quality management system, environmental protection, occupational safety and health management.
- (3) Signing of Letter of Undertaking by employees: This document establishes the employees' commitment towards maintaining the confidentiality of information regarding the Company's tangible and intangible operating assets,



preventing the employees from infringing on the interests of the Company and so on.

- (4) Disclosure on the Company's website: The 'Codes of Ethical Conduct for Directors, Supervisors and Managerial Officers', 'Ethical Corporate Management Best Practice Principles', 'Employee Work Rules', 'Code of Conduct for Employees Regarding Concurrent and Part-time Work', and 'Procedures for Handling Material Insider Information'.

6. Protection measures for work environment and employees' personal safety:

- (1) With regard 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. The Company has successfully certified for ISO 14001 (environmental management system), ISO 45001 (occupational health and safety management system), TOSHMS (Taiwan Occupational Safety & Health Management System), and so on.
- (2) Each plant has a corporate labor union. The Occupational Safety and Health Committee has been set up in accordance with the Occupational Safety and Health Act. Labor representatives are appointed by labor unions. The percentage of committee members is more than one-third of the members, which is higher than the number stipulated by the regulations. The Committee meets once per quarter. Labor representatives voice the opinions of all employees and discuss issues relating to environmental protection and safety and health.

Summary of Discussions of the Occupational Safety and Health Committee in 2024:

- (2-1) Work Environment Monitoring, Assessment, Review, and
- (2-2) Application for the Addition and Modification of Chemical
- (2-3) Evaluation and Classification Management of Chemicals in the
- (2-4) Facial Recognition System and Automated Personnel Data Setup
- (2-5) 2024 Weight Management Program
- (2-6) Launch of the USI Group's Training & Learning Platform
- (2-7) Overview on Incident Reporting Requirements, Recipients, and Procedures for Places Stipulated under Fire Services Act Article
- (2-8) Regulatory Amendments on Hazardous Materials in Factories
- (2-9) Designation and Operational Management of Priority-Controlled
- (2-10) Health Promotion Seminar
- (2-11) Revisions to Regulations on Occupational Safety and Health
- (2-12) Work Safety Permit Revision
- (2-13) Certification Management
- (2-14) Group Auditing Div.

- (2-15) Corporate Insurance Broker (Marsh) Site Survey
- (2-16) Guidelines for 2024 Health Checkups
- (2-17) Principles of Responsibility for Corrective Action Notices

(3) The Company has established the "Contractor Environmental Safety and Health Management Guidelines" for contractor safety management. The content includes pre-work education and training, hazard awareness during coordination meetings, safety checks and work safety permits must be obtained before giving permits to the construction, and strengthened safety supervision during construction.

CGPC provides safety training for contractors and organizes contractor operation safety and health management training before each construction project to improve construction safety and overall health standards. A total of 339 training sessions were organized to improve construction safety and overall health standards.

(4) The Company has established the "Safety and Health Inspection and Environmental Protection Inspection Guidelines" to conduct inspections on the safety and health-related matters of the plant in order to ensure the safety of the operations as well as the personnel. If any defects are found, notices are given and the deadline for improvement depends on the nature of the event.

In 2024, during the safety and health inspections conducted by supervisors at all levels, the total number of deficiencies identified: 1555 items; improvements: 1462 items; improvement rate: 94%.

(5) Strengthen enhance self-inspection and actively participate in activities of the Labor Safety and Health Promotion Associations of Toufen and Zhunan Industrial Parks.

(6) Actively attend activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and improve safety and environmental protection performance, reduce injuries from accidents, ensure financial profitability, increase company output, implement community services, and be a good neighbor to the community based on the spirit.

(7) 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.

7. 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 complies with government regulations and dedicates full effort to reduce the negative impact of business activities on the environment to achieve goals in environmental protection policies (e.g. adoption of environmentally friendly coolants and energy-saving lighting equipment for reducing carbon emissions and greenhouse gases).
 - (4) The Company does its best to take into account local cultural and social traditions when implementing 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) Loss (including labor inspection results in violation of labor standards law, the punishment date, punishment name, violation of laws and regulations, content of violation of laws and regulations, and punishment content shall be listed) sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of printing of the annual report, disclose an estimate of losses incurred to date and indicate mitigation measures being or to be taken:

The Company has always paid serious attention to communication and harmony between the employer and employees, and labor disputes can be communicated and overcome through mutual trust. Hence, there has not been any labor dispute in recent years. Based on the good relations between the employer and employees, no labor dispute is expected to happen in the future.

VI. Cybersecurity Management

(I) State the Cyber Security Risk Management Framework

Please describe the risk management framework for cyber security, cyber security policies, specific management plans, and resources devoted to cyber security management

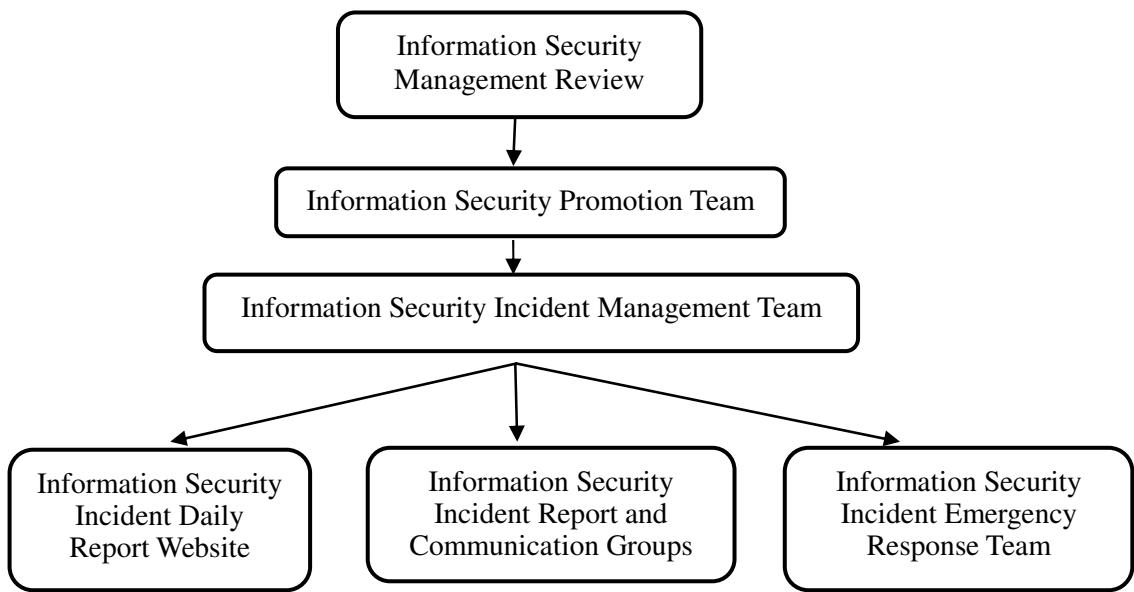
1. Cyber security risk management framework:

(1) Information security management organization:

The Company holds an annual "Information Security Management Review Meeting", to make judgments on the six input projects (resolution status of past management reviews, changes to internal and external issues related to the information security management system, feedback on information security performance, feedback from related parties, status of risk assessment results and risk management plans, opportunities for

continuous improvement) of the information security management system, and to conclude the two output projects of the information security management system (decisions related to continuous improvement opportunities and any need for changes to the information security management system), to achieve the objectives of the information security management system.

Organizational Structure of Information Security Management Review Meeting



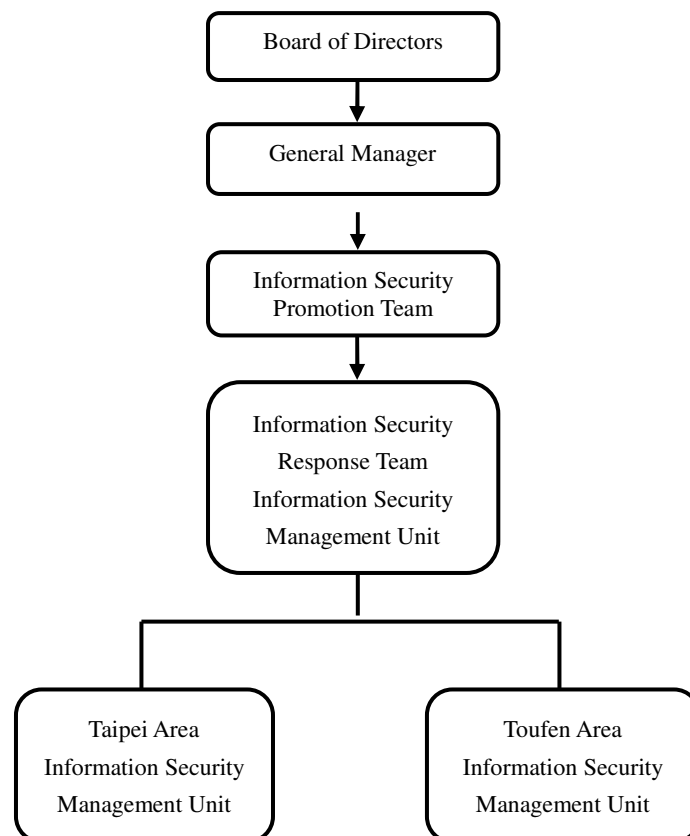
(2) Information and communication security organization framework:

In accordance with the Company's internal standard operating procedures titled Information Security Implementation Organization Regulations, an Information Security Implementation Team is established to oversee the operation of internal information security management. This includes clearly defining the roles and responsibilities of each promotional organization involved. Annual meetings are convened regularly once per year. Should there be a significant information security incident, the Company may convene a meeting immediately. The Director of the Group's Information Technology Department serves as the convener of the Information Security Implementation Team, responsible for organizing meetings, deliberating on, and arbitrating meeting decisions. The supervisors of units under the jurisdiction of the



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

Organizational Structure of Information Security Promotion Team



Responsibilities of Information Security Promotion Team:

- (2.1) Formulate the information security risk management framework and information security policy
- (2.2) Conduct information security risk assessment and analysis
- (2.3) Conduct information security maintenance and implementation
- (2.4) Verify the effectiveness of information security operation implementation

2. Information security policy:

(1) Information Security Management Policies and Frameworks:

(1.1) ISO 27001 Information Security System:

The ISO 27001: 2013 information security management system has been established since 2014 and continuously operated and promoted. The Company entrusts an external

professional information security certification and inspection company to carry out examinations. We have passed the certification and inspection for 10 consecutive years (at present, the certificate is valid from July 4, 2023 to October 31, 2025).

(1.2) NIST CSF Information Security Management Framework:

The Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST) is included.

(2) Enterprise Information Security Risk Management and Continuous Improvement Framework:

Based on the ISO 27001 information security management system supplemented by the NIST CSF information security management framework, the Company has strengthened its risk control measures, enhanced information security resilience, and developed the ability to withstand, contain, and quickly recover from information security incidents in order to continue to provide critical operational services.

(3) Specific Management Plan:

- (3.1) Vulnerability Scanning Inspections: Regularly conduct vulnerability scanning inspections on the server's operating system to identify potential risks for system corrections or propose compensatory measures and improve information security. It has been implemented for 9 consecutive years.
- (3.2) Information Asset Control: Establish an information asset management platform to record the information assets, mark asset items, use status, and maintenance records, and conduct regular inspections and maintenance.
- (3.3) Firewall and industrial control equipment (OT): Adopt Palo Alto networks PA-3220. The new generation layer 7 firewall system improves the execution efficiency of filtering incoming and outgoing packets and effectively reduces the risk of exposure due to system vulnerability.
- (3.4) Critical Servers: Deploy Crowd Strike endpoint detection software that utilizes non-signature-based artificial intelligence (AI) and machine learning (ML) models to instantly analyze potential attack behaviors, thereby mitigating both known and unknown threats.
- (3.5) Email: Adopt the Microsoft Office 365 solution, supplemented with Advanced Threat Protection (ATP) services, to enhance the capability to defend against unknown malicious software links and phishing emails. By migrating email servers to the



cloud and progressively reducing the number of Active Directory (AD) and Domain Controller (DC) servers, the potential attack surface is minimized.

- (3.6) Office Equipment (IT): Utilize Trend Micro antivirus software to detect abnormal network usage behaviors. For example: Monitor user computer logins to the Active Directory (AD) servers and internet usage behaviors, enabling immediate blocking of attacks.
- (3.8) Regular cybersecurity inspections are conducted annually for corporate laptops connected to external networks to ensure compliance with the latest information security policies. This process helps identify and address potential security vulnerabilities in a timely manner, reducing the risk of external threats or cyberattacks.
- (3.9) Personnel Information Security Management: To prevent the occurrence of hacker invasion or data leakage, the Company provides information personnel with information security education and training for four hours every year.
- (3.10) Social Engineering Drills: At least twice a year, the Company contracts external professional information security consulting firms to conduct social engineering drills. This practice aims to enhance employee awareness regarding information security, thus protecting data integrity and preventing unauthorized access, alterations, and theft.

- (4) Resources devoted to information and communication security management:

Information security has become a critical issue for the Company's operations. The corresponding management measures and resource allocation plans are as follows:

- (4.1) Dedicated Personnel: The Company has established a dedicated corporate organization, the Information Security Network Section. This section is responsible for planning, technical implementation, and auditing of information security measures to ensure continuous enhancement and protection of information security.
- (4.2) Certification: The Company has successfully passed the ISO 27001 information security certification for ten consecutive years without any significant deficiencies noted during security audits.

- (4.3)Customer Satisfaction: There have been no significant information security incidents, nor have there been any complaints related to the loss of customer data.
- (4.4)Education and Training: All IT personnel have completed two annual information security training sessions and assessments. All employees participate in two annual social engineering phishing drills, totaling 784 participant instances.
- (4.5)Information Security Investment: The total investment in information security measures amounted to approximately NT\$2,544 thousand.
- (4.6)Information Security Announcements: 8 information security bulletins were issued.

(II)Major Information and Communication Security Incidents

List of the losses, possible impacts and responses to major information and communication security incidents incurred in the recent year and up to the date of printing of the annual report, and, if not reasonably estimable, the facts that are not reasonably estimable.

As of the printing date of the annual report, the Company has not suffered any loss or possible impact due to a major information security incident.

(III)Information and Communication Security Risks and Countermeasures

1. Information Technology Security Risks:

The O&M management of plants shall focus on the manufacturing industry. The production processes are mainly managed and controlled using Operational Technology (OT) systems, such as Distributed Control System (DCS) and Supervisory Control and Data Acquisition (SCADA). To ensure production stability, the operation systems or programs are installed without upgrading, and are the so-called Legacy Systems. The information security protection of such systems is weaker than the ordinary information technology (IT) systems, such as ERP, CRM and OA software and hardware equipment.

2. Management measures for information technology security:

- (1)Regular audits are conducted by the Company's internal audit department and external professional information security consultants, and we also invite the British Standards Institution (BSI), a leading international certification Company, to conduct annual ISO 27001 certification audits. In addition to reviewing the risk management framework for information and communications security, we also provide counseling and prevention services on



internal and external issues and conduct information and communications security risk assessment and analysis.

- (2) Multi-Factor Authentication (MFA) is fully implemented in the Group's mail system. In addition to the first level of password authentication, a second level of authentication is performed through other tools to enhance the security.
- (3) The industrial control equipment (OT) uses Fortinet firewall, a next-generation 7-layer firewall system, to enhance the execution efficiency of filtering incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure.
- (4) Strengthening Control of External Devices on Industrial Control Systems: Access to USB devices is restricted to prevent data leaks and mitigate attacks from external information security threats, thereby safeguarding the production line from disruptions.
- (5) External Storage Media Health Checks: Comprehensive inspections of external storage media are conducted to reduce the risk of data loss and hidden information security threats. This includes routine virus scanning, checking, and inventorying of all external devices.
- (6) For the operating systems of servers and other equipment, we appoint an external professional information security consulting company to conduct vulnerability scans every year to find potential risks and make system corrections or propose compensatory measures to address them.
- (7) Enhanced Personnel Information Security Management: To prevent incidents such as hacking intrusions or data breaches, IT personnel are required to undergo at least four hours of information and communications security education training annually. Additionally, by sharing the latest in information security knowledge, the Company aims to elevate employees' awareness of information security.

VII. Important Contracts

Nature of Contract	Principal	Contract Start/End Date	Main Content	Restrictive Provisions
Material Purchase Contract	Dampier Salt Limited	January 1, 2024~December 31, 2025	China General Plastics Corporation and Dampier signed a contract for the purchase of solar salt, with the price of the material agreed by both the buyer and the seller.	None
Material Purchase Contract	Formosa Plastics Corporation	January 1, 2025~December 31, 2025	Taiwan VCM Corporation and Formosa Plastics Corporation signed a contract for the purchase of dichloroethane. The price is agreed upon by both parties.	None
Material Purchase Contract	Mitsubishi Corporation	January 1, 2025~December 31, 2025	Taiwan VCM Corporation and Mitsubishi Corporation signed a contract for the purchase of dichloroethane, with the price of the material agreed by both the buyer and the seller.	None
Material Purchase Contract	CPC Corporation	January 1, 2025~December 31, 2025	Taiwan VCM Corporation and CPC Corporation signed a contract for the purchase of ethylene. The price is agreed upon by both parties.	None
Long-Term Loan Agreement	Bank of China Taipei Branch	March 15, 2024~March 14, 2027	Enhancing financial structure and strengthening working capital for CGPC	Maintaining a certain financial ratio
Long-Term Loan Agreement	Yuanta Bank	May 5, 2023~May 5, 2026	Enhancing financial structure and strengthening working capital for CGPC	Maintaining a certain financial ratio
Long-Term Loan Agreement	Chang Hwa Bank	December 27, 2024~December 27, 2031	To fund CGPC's financial requirements for the Polymerization Reactor Project	None
Long-Term Loan Agreement	Chang Hwa Bank	February 15, 2022~February 15, 2027	To fund CGPC's financial requirements for the Automatic Storage Retrieval System Project	None
Long-Term Loan Agreement	Yuanta Bank	April 15, 2022~April 15, 2027	To fund CGPC's financial requirements for the Automatic Storage Retrieval System Project	Maintaining a certain financial ratio



Nature of Contract	Principal	Contract Start/End Date	Main Content	Restrictive Provisions
Long-Term Loan Agreement	Yuanta Bank	July 15, 2024~July 15, 2029	To fund CGPC's financial requirements for VCM storage tank construction	Maintaining a certain financial ratio
Long-Term Loan Agreement	Yuanta Bank	September 12, 2024~September 11, 2026	Enhancing financial structure and strengthening working capital for CGPCPOL	Maintaining a certain financial ratio
Long-Term Loan Agreement	Bank Sinopac	August 21, 2023~July 31, 2026	Enhancing financial structure and strengthening working capital for CGPCPOL	Maintaining a certain financial ratio
Long-Term Loan Agreement	Hua Nan Bank	September 15, 2023~September 11, 2026	Enhancing financial structure and strengthening working capital for CGPCPOL	None
Long-Term Loan Agreement	First Bank	December 8, 2023~December 8, 2026	Enhancing financial structure and strengthening working capital for CGPCPOL	None
Long-Term Loan Agreement	Taishin International Bank	November 27, 2024~November 30, 2026	Enhancing financial structure and strengthening working capital for Taiwan VCM Corporation	Maintaining a certain financial ratio
Long-Term Loan Agreement	Cathay United Bank	October 15, 2021~October 15, 2026	To fund Taiwan VCM Corporation's financial requirements for the Kaohsiung Intercontinental Container Terminal Project Phase 2	None
Long-Term Loan Agreement	Taipei Fubon Bank	October 15, 2021~October 15, 2026	To fund Taiwan VCM Corporation's financial requirements for the Kaohsiung Intercontinental Container Terminal Project Phase 2	Maintaining a certain financial ratio
Long-Term Loan Agreement	E. SUN Commercial Bank	November 15, 2021~November 15, 2027	To fund Taiwan VCM Corporation's financial requirements for the Kaohsiung Intercontinental Container Terminal Project Phase 2	None
Long-Term Loan Agreement	Bank of Taiwan	February 15, 2022~February 15, 2027	To fund Taiwan VCM Corporation's financial requirements for the Kaohsiung Intercontinental Container Terminal Project Phase 2	None
Long-Term Loan Agreement	Yuanta Bank	April 15, 2022~April 15, 2027	To fund Taiwan VCM Corporation's financial requirements for the Kaohsiung Intercontinental Container Terminal Project Phase 2	Maintaining a certain financial ratio

V. Review and Analysis of Financial Position and Performance and Risk Items

I. Financial Position

Comparative Analysis of Financial Position

Unit: NT\$ thousand

Item \ Year	End of 2023	End of 2024	Change (amount)	Change %	Note
Current assets	6,966,745	6,702,735	(264,010)	(3.79)	
Investment accounted for equity method	359,601	336,665	(22,936)	(6.38)	
Property, plant and equipment	9,249,791	9,753,364	503,573	5.44	
Other assets	1,174,095	1,282,312	108,217	9.22	
Total Assets	17,750,232	18,075,076	324,844	1.83	
Current Liabilities	3,421,831	4,924,846	1,503,015	43.92	1
Long-term borrowings	2,999,206	2,851,015	(148,191)	(4.94)	
Deferred income tax liabilities	594,334	602,255	7,921	1.33	
Net defined benefit liability	311,996	214,148	(97,848)	(31.36)	2
Other liabilities	195,377	166,972	(28,405)	(14.54)	
Total liabilities	7,522,744	8,759,236	1,236,492	16.44	
Share capital	5,810,505	5,810,505	0	0.00	
Capital surplus	17,986	20,018	2,032	11.30	
Retained earnings	3,712,821	2,874,214	(838,607)	(22.59)	3
Other equity	40,165	34,845	(5,320)	(13.25)	
Total equity attributable to owners of the Company	9,581,477	8,739,582	(841,895)	(8.79)	
Non-controlling Interests	646,011	576,258	(69,753)	(10.80)	
Total equity	10,227,488	9,315,840	(911,648)	(8.91)	
<p>1. The main reasons and impact of major changes in assets, liabilities, and shareholders' equity in the last two years (with changes of at least 20% and more than NT\$10 million in the beginning and the end periods):</p> <p>(1)The primary reason for the required funding of approximately NT\$4.9 billion is the renovation of the polymerization reactor at the Toufen Main Plant and its surrounding process equipment. A portion of the funds was secured through loans, resulting in a NT\$1.22 billion increase in long-term loans maturing within one year. Additionally, to strengthen working capital, short-term loans increased by NT\$200 million.</p> <p>(2)The primary reason is the increase of NT\$92 million in remeasurement gains on defined benefit plans, leading to a reduction in defined benefit liabilities.</p> <p>(3)The primary reason is the net loss of NT\$709 million in 2024.</p> <p>2. If the impact is significant, describe the future response measures: None.</p>					

Review and Analysis of Financial Position and Performance and Risk Items



II. Financial Performance

(I) Comparison and Analysis of Financial Performance

Unit: NT\$ thousand

Item \ Year	2023	2024	Change (amount)	Change %	Note
Net sales revenue	13,707,305	11,086,725	(2,620,580)	(19.12)	
Cost of goods sold	12,030,536	10,876,143	(1,154,393)	(9.60)	
Gross profit	1,676,769	210,582	(1,466,187)	(87.44)	1
Operating expenses	1,216,914	1,053,289	(163,625)	(13.45)	
Profit from operations	459,855	(842,707)	(1,302,562)	(283.25)	1
Non-operating revenue(expenses)	6,669	(77,247)	(83,916)	(1,258.30)	2
Profit (loss) before income tax	466,524	(919,954)	(1,386,478)	(297.19)	
Income tax expense (income)	72,850	(168,591)	(241,441)	(331.42)	
Net (Loss) profit for the year	393,674	(751,363)	(1,145,037)	(290.86)	
Other comprehensive income (loss) for the year (net amount after taxes)	(36,534)	71,327	107,861	(295.23)	3
Total comprehensive income (loss) for the year	357,140	(680,036)	(1,037,176)	(290.41)	

1. Analysis of changes in the ratio of increase or decrease in the most recent two years (if the gross profit of sales changes by more than 20%, the difference analysis shall be made as shown in Table (2); If the change is less than 20%, the analysis shall be exempted):

- (1) The global economy was impacted by the sluggish post-pandemic recovery in China and the impact of the Russia-Ukraine conflict, resulting in lower consumer demand. In addition, the continued expansion of petrochemical capacity in China has led to price declines for both upstream and downstream petrochemical products, further narrowing the margin between key products and raw materials. The company's sales volume decreased by 87,000 metric tons, leading to a reduction in revenue of NT\$2.55 billion. Additionally, price declines further reduced revenue by NT\$70 million. The cost increased by NT\$1.18 billion, primarily due to a rise in raw material prices, with EDC and ethylene costs increasing by US\$33/mt (+7%).
- (2) Non-operating income (expenses) increased by N\$80 million, primarily due to the recognition of fire loss amounting to NT\$150 million, partially offset by a net foreign exchange gain of NT\$60 million.
- (3) Other comprehensive income showed a favorable increase of NT\$107 million, mainly driven by the remeasurement gains from the defined benefit plans of the Company and its equity-method affiliates

2. The sales volume forecast and the basis, and the possible impact on the Company's future financial operations and response plans for the upcoming year:

China's economic recovery continues to face multiple challenges, prompting expectations of more aggressive policies to stimulate domestic demand. Meanwhile, demand in emerging markets such as India and Vietnam is expected to maintain steady growth. However, global PVC production capacity continues to outpace demand, necessitating disciplined supply-side adjustments. Additionally, the Company will closely monitor regional price differentials caused by trade barriers to identify opportunities for improving overall profitability.

To achieve sustainable growth, the Company is replacing outdated and energy-intensive equipment while actively integrating AI-driven technologies to enhance energy efficiency and management effectiveness. Simultaneously, the Company remains committed to workplace safety, environmental protection, cost reduction, and corporate social responsibility. With these initiatives, the Company aims to achieve an annual sales target of 430,000 metric tons and ensure long-term sustainable operations.

(II) Analysis Table of Changes in Sales Margin:

Unit: NT\$ thousand

	Increase (Decrease) Amount Between The Beginning And The End Periods	Reason for the Difference			
		Price Difference	Difference in Cost	Sales Mix Difference	Quantity Difference
Sales Margin	(1,466,187)	(70,346)	(1,184,914)	113,201	(324,128)
Note	<p>The global economy was impacted by the sluggish post-pandemic recovery in China and the impact of the Russia-Ukraine conflict, resulting in lower consumer demand. In addition, the continued expansion of petrochemical capacity in China has led to price declines for both upstream and downstream petrochemical products, further narrowing the margin between key products and raw materials. The company's sales volume decreased by 87,000 metric tons, leading to a reduction in revenue of NT\$2.55 billion. Additionally, price declines further reduced revenue by NT\$70 million. The cost increased by NT\$1.18 billion, primarily due to a rise in raw material prices, with EDC and ethylene costs increasing by US\$33/mt (+7%).</p>				

Review and Analysis of Financial Position and Performance and Risk Items



III. Cash Flow

Cash Flow Analysis Table

Unit: NT\$ thousand

Cash Balance at the Beginning of the Period	Net Cash Inflow (Outflow) from Operating Activities Throughout the Year	Annual Cash Flows not Derived from Operating Activities	Cash Surplus Amount	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
1,203,186	776,268	(455,542)	1,523,912	—	—
1. Analysis of current year's cash flow change:					
(1)Operating activities generated a net cash inflow of NT\$770 million, mainly due to an outflow of NT\$920 million from net loss before tax, an inflow of NT\$870 million from depreciation and amortization, an inflow of NT\$280 million from accounts and notes receivable and an inflow of NT\$180 million from accounts and notes payable. In addition, there was an inflow of NT\$370 million from financial assets at fair value through profit or loss.					
(2) Investment activities: The net cash outflow was NT\$1.46 billion, primarily due to NT\$1.51 billion spent on the acquisition of property, plant, and equipment.					
(3)Financing activities: The net cash inflow was NT\$1 billion, primarily driven by a net inflow of NT\$1.28 billion from long-term and short-term borrowings, offset by dividend payments totaling NT\$230 million.					
2. Liquidity improvement program: Not applicable.					
3. Cash liquidity analysis for the following year:					
Cash balance at the beginning of the year:				1,523,912	thousand
Expected annual net cash flows from operating activities:				1,782,266	thousand
Expected annual cash flows not derived from operating activities:				(1,560,288)	thousand
Expected annual cash flow:				221,978	thousand
Expected cash balance at the end of the year:				1,745,890	thousand

IV. Impact of Significant Capital Expenditures in the Latest Year upon Financial Performance

(I) Application of Major Capital Expenditures and Sources of Funds:

Unit: NT\$ thousand

	Actual Or Expected Sources Of Funds	Actual Or Expected Completion Date	Total Fund Required	Actual And Expected Expenditures		
				2023	2024	2025
(1) Expansion of new production lines						
Silo17 expansion project in the shipping area	Own funds	2023.10.31	23,318	23,318	0	0
#4 dryer renewal project	Own funds	2025.12.31	209,500	165,927	16,380	27,193
Hydrochloric acid furnace renovation project	Own funds	2025.10.30	79,000	77,734	910	356
New construction of automatic storage system project	Own funds	2023.09.30	469,902	469,902	0	0
Expansion of PVC resin warehouse	Own funds	2025.03.31	37,000	35,684	700	616
New natural gas steam boiler project	Own funds	2025.06.30	58,000	41,083	13,388	3,529
Condensation recirculation system upgrade for polymerization	Own funds	2025.06.30	15,000	1,044	11,391	2,565
#6 dryer PVC resin transportation system improvement project	Own funds	2025.12.30	15,000	3,715	10,458	827
#7 CALA&B mixing mill replacement and renewal project	Own funds	2024.03.31	11,355	11,170	185	0
800RT freezer chiller system renewal project	Own funds	2025.03.31	61,500	54,913	789	5,798
#7 gluing machine replacement and renewal project	Own funds	2025.06.30	26,000	2,479	22,515	1,006
Project of addition of deep well and water purification equipment for the Southern Plant	Own funds	2025.12.31	16,000	1,652	125	14,223
Water inlet and output water supply pipe improvement project	Own funds	2025.06.30	13,600	10,788	0	2,812
VCM spherical tank renewal project	Own funds	2026.12.31	538,000	41,624	143,107	353,269
Initial planning for polymerization reactor replacement and renewal project	Own funds	2025.12.31	80,000	32,593	1,777	45,630
Project of adding new filter tank and pre-processor of the HBF system	Own funds	2024.08.30	23,800	21,950	1,850	0
Consolidation, dismantling and refurbishment of soft PVC film/ sheet machine equipment	Own funds	2025.12.31	65,000	16,728	0	48,272
New mobile rack system and loading dock project	Own funds	2025.09.30	40,000	32,048	5,169	2,783
#7&8 PVC film/ sheet machine retirement project	Own funds	2025.12.31	70,000	38,737	21,310	9,953
Cooling water tower pump and piping renewal project	Own funds	2024.09.30	18,581	17,101	1,480	0

Review and Analysis of Financial Position and Performance and Risk Items



	Actual Or Expected Sources Of Funds	Actual Or Expected Completion Date	Total Fund Required	Actual And Expected Expenditures		
				2023	2024	2025
Hydrogen cooler/chlorine defogger (with piping) renewal project	Own funds	2025.10.30	17,500	12,933	877	3,690
Purchase of Critical Equipment for polymerization reactor replacement and renewal project	Own funds	2025.09.30	290,000	3	2,660	287,337
Purchase of the electrolytic cell body (including ancillary components) and related key equipment	Own funds	2024.02.29	44,023	44,023	0	0
Polymerization reactor replacement and renewal project	Own funds	2026.09.30	4,500,000	265	364,974	4,134,761
Utility section- construction project for new 150 tons pure water facility	Own funds	2025.10.30	50,000	5	36,663	13,332
Chlor-alkali section- replacement of scrubber tower pipelines, steel structures, and T-120 tower upgrade	Own funds	2025.06.30	10,000	0	8,652	1,348
Installation of a new nozzle, inspection, and modification of OSBL pipelines for T-343D spherical tank	Own funds	2025.08.31	22,000	0	32	21,968
Project of construction of original storage tank and ancillary equipment and utilities for Zhouji phase II	Own funds (Partial borrowings)	2025.12.31	2,658,633	2,567,234	91,399	0
C-6204 VCM tower project	Own funds	2024.12.31	113,007	99,816	13,191	0
Project of ethylene external industrial pipeline of Zhouji phase II	Own funds	2024.12.31	263,000	195,164	52,184	15,652
E-6151 reactor spare production project	Own funds	2024.04.30	108,669	108,662	7	0
Project of expansion of Zhouji phase II EDC and VCM storage tanks	Own funds (and borrowings)	2024.04.30	481,842	481,060	782	0
T-6030 storage tank update	Own funds	2024.10.31	45,000	31,858	2,352	10,790
Renewal of fixed equipment	Own funds	2024.12.31	156,450	58,034	23,675	74,741
Rotating equipment parts	Own funds	2024.12.31	35,500	11,464	18,751	5,285
Annual maintenance/ pipelines and equipment maintenance	Own funds	2024.12.31	30,000	25,470	3,025	1,505
Pipeline insulation renewal project in Zone 36	Own funds	2023.12.31	12,600	12,600	0	0
Annual maintenance/ pipelines and equipment maintenance	Own funds	2025.12.31	30,000	0	17,783	12,217
Rotating equipment parts	Own funds	2025.12.31	19,500	0	2,123	17,377
Critical motor spare parts	Own funds	2025.12.31	15,000	0	14	14,986
69KV transformer replacement project	Own funds	2025.12.31	29,000	0	29	28,971

	Actual Or Expected Sources Of Funds	Actual Or Expected Completion Date	Total Fund Required	Actual And Expected Expenditures		
				2023	2024	2025
Instrumentation and equipment replacement project	Own funds	2024.12.31	11,561	0	11,561	0
Purchase of SP-1105 automatic tank cleaning gun assemblies	Own funds	2025.06.30	12,000	10,853	0	1,147
Heat exchanger coil improvement project for dryers	Own funds	2025.02.28	33,500	0	0	33,500
VCM storage tank ST1301 cooling and fire suppression system installation project	Own funds	2025.03.31	5,850	0	5	5,845
SP-1202AB vibrating screen replacement project	Own funds	2025.01.31	20,000	0	472	19,528
(2) Information system update						
Fiber optic backbone replacement and server room renovation project in Toufen plant	Own funds	2024.06.30	14,426	14,412	14	0
(3) Industrial and security facilities						
Catalyst storage freezer A system upgrade project	Own funds	2025.12.31	5,000	119	18	4,863
Catalyst storage freezer B/ C system upgrade project	Own funds	2025.12.31	5,000	289	3,180	1,531
Nitrogen branch piping project	Own funds	2025.12.30	14,000	3,821	1,457	8,722
R-187 catalyst freezer upgrade project (including pipeline updates)	Own funds	2025.06.30	6,000	2,685	865	2,450
Renewal of the pedestrian bridge attached to the square tube bridge across Ziqiang Road	Own funds	2025.12.31	53,000	2,905	5,136	44,959
License Plate recognition system installation and parking lot fencing	Own funds	2025.09.30	8,200	31	5,297	2,872
Replacement and renewal of public utilities along Ziqiang Road	Own funds	2025.10.31	25,000	3,387	3,185	18,428
Underground cable distribution project for high voltage poles on Huaxia Second Road	Own funds	2025.12.31	50,000	111	35,697	14,192
Underground pipeline intelligent probe pipe inspection project	Own funds	2025.12.31	68,800	4,961	4,018	59,821
(4) Pollution prevention						
S-321A stripper renewal	Own funds	2023.11.28	69,334	69,334	0	0
Activated carbon fluidized beds VOC control equipment project	Own funds	2023.12.31	65,133	65,133	0	0
Project of construction of a solar power generation system	Own funds	2024.08.30	35,063	28,214	6,849	0
Solar power system installation project	Own funds	2023.06.30	68,797	68,797	0	0
Procurement of solar photovoltaic equipment project	Own funds	2025.12.31	6,500	2	44	6,454
Replacement of activated carbon in VOC treatment equipment	Own funds	2025.12.30	12,000	0	9,600	2,400
Electrostatic oil fume exhaust	Own funds	2025.12.30	60,805	0	23	60,782

Review and Analysis of Financial Position and Performance and Risk Items



	Actual Or Expected Sources Of Funds	Actual Or Expected Completion Date	Total Fund Required	Actual And Expected Expenditures		
				2023	2024	2025
treatment system for PVC film/Sheet machine						
VOC dissolved air flotation system upgrade for one operational one backup	Own funds	2025.12.31	17,150	0	1,709	15,441
Groundwaterp pollution remediation plan for Taiwan VCM Corporation Toufen Plant	Own funds	2025.03.31	25,441	0	430	25,011
Total			11,505,883	5,032,384	982,009	5,491,491

(II) Potential Benefits Expected:

The above major capital expenditures are renewal projects to maintain current production efficiency.

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

(I) The reinvestment of the Company and its subsidiaries in 2024 exceeding 5% of the paid-in capital: None.

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

VI. Risk Analysis and Assessment

(I) Impacts of fluctuations in interest rates and foreign exchange rates and inflation on the Company's profitability and associated action plans:

1. 2024 interest income (payment) and exchange gain (loss):

Item	2024 (NT\$ thousands)
Net interest income (expenses)	(54,055)
Net currency exchange gain (loss)	57,955
Ratio of net interest income (expense) to net revenue	(0.49%)
Ratio of net interest income (expenses) to net income before tax	5.88%
Ratio of net currency exchange gain (loss) to net revenue	0.52%
Ratio of net foreign exchange gain (loss) to net income before taxes	(6.30%)

2. Interest rate:

In order to reduce the risk of interest rate fluctuation, idle funds will be invested in fixed deposits of banks, beneficiary certificates of money market funds, buyback transactions of bonds (bills) and REITs.

To address both short-term and medium-to-long-term funding needs, financial institution credit limits are carefully planned and managed to ensure utilization remains below 50%. This approach safeguards liquidity and provides flexibility in allocation. Additionally, interest rate trends are closely tracked to strike an optimal balance between fixed and floating rate allocations. These measures are designed to control financing costs while maintaining a strong and stable financial structure.

3. Exchange rate:

Hedging is based on the net foreign currency position generated by the Company's business. In addition to closely observing the trend of the international foreign exchange market, it also avoids its risks in a timely manner through spot foreign exchange dumping and forward foreign exchange contracts.

4. Inflation:

The main cost of the Company is the raw material cost, and the product's selling price fluctuates in the same direction as the raw material cost. The Company continuously evaluates the impact of assets and liabilities exposed to interest rate fluctuations on the Company.

(II) Policies regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and future countermeasures to be taken:

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

The Company's Regulations Governing the Acquisition and Disposal of Assets stipulate that it shall not engage in high-risk and high-leverage investments. We have also made the "Procedures for Lending Funds to Others" and performed pre-funding evaluation and follow-up measures.

2. Endorsements and guarantees:

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 Risk Items



3. Derivatives transactions:

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. Future research and development plan: Planned and executed by the Methods and Technology Department, Processing R&D Department, and Production Technical Units.

2. Expected R&D expenditures

Unit: NT\$ thousand

Research and Development Project	Current Progress	Research Expenses to be Reinvested	Estimated Time to Complete Mass Production	Major Factors that Influence the Success of R&D in the Future
Energy generation through residual hydrogen	60%	1,000	Before the end of 2026	Equipment and process conditions
Sponge leather development for Casting-like furniture	50%	1,000	Before the end of 2025	Formulas and process conditions
Translucent leather/fabric products	50%	600	By the middle of 2025	Formulas and process conditions
Solvent-free surface treatment leather for PVC/TPE	50%	500	By the middle of 2025	Equipment, formulas and process conditions
TPO anti-static transparent film/sheet	50%	500	By the middle of 2025	Equipment, formulas and process conditions
Development of solvent-free TPE cloth paste	75%	500	By the middle of 2025	Equipment, formulas and process conditions
TPE single material leather	0%	500	By the middle of 2025	Formulas and process conditions
TPO apron	0%	500	By the middle of 2025	Formulas and process conditions
TPO release film	0%	500	By the middle of 2025	Formulas and process conditions
PVC cooling release film	0%	500	By the middle of 2025	Equipment, formulas and process conditions
PE/CBC Easy-Tear Adhesive Tape Fabric	0%	500	By the middle of 2025	Formulas and process conditions
Antibacterial and mold-resistant piping	0%	500	Before the end of 2025	Formulas and process conditions
TPU treadmill belt / conveyor belt	0%	500	Before the end of 2025	Formulas and process conditions
TPO vacuum cushion leather	0%	500	Before the end of 2025	Formulas and process conditions
Development of cooling leather for motorcycle seats	50%	500	Before the end of 2025	Formulas and process conditions
Development of third-generation stain-resistant PVC leather	50%	500	Before the end of 2025	Formulas and process conditions
high-temperature resistant orange-colored wire harness tape	0%	500	Before the end of 2025	Formulas and process conditions
Flame-resistant decorative fabric for Europe	0%	500	Before the end of 2025	Formulas and process conditions
PVC Spray-Painted Film	0%	300	By the middle of 2025	Equipment, formulas and process conditions

Research and Development Project	Current Progress	Research Expenses to be Reinvested	Estimated Time to Complete Mass Production	Major Factors that Influence the Success of R&D in the Future
PVC Low-Smoke Flame-Resistant Film	0%	300	By the middle of 2025	Formulas and process conditions
PVC Conductive Film	0%	300	Before the end of 2025	Equipment, formulas and process conditions
Marine soft leather development	25%	200	Before the end of 2025	Formulas and process conditions
#6 AI application in drying process machine	0%	100	Before the end of 2025	Equipment and process conditions
Utilizing a 30L PVC polymerization reactor to analyze the impact of various additives on product quality	50%	30	Before the end of 2025	Formulation and process conditions
New formulations testing in a 30L experimental reactor	50%	30	Before the end of 2025	Formulation and process conditions

(IV) Impact of changes of the important domestic and foreign policies and laws on the Company's finance and business, and countermeasures:

1. Impact on financial operations:

- (1) Please refer to Chapter IV of the Annual Report: IV. Operations Overview, (III) Environmental Expenditure Information for response measures to the European Union's Restriction of Hazardous Substances Directive (RoHS).
- (2) 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.
- (3) Pursuant to Article 10-1 of the Industrial Innovation, investment in new smart machines for self-use, investment in new hardware, software, technology or technical services related to the introduction of the fifth-generation mobile communication system and investment in information security, application for taxation Applicability of Relief.

2. Response measures:

The Company has a legal department to assess and respond to legal risks, review important contractual documents and legal instruments in advance and alert risks, and provide legal advice to deal with legal matters as needed to protect the Company's rights and interests and reduce default risks and losses. In addition, the accounting division, from time to time, evaluates the impact of such changes on the Company's financial operations and relevant measures in response to the changes in relevant accounting and tax laws and regulations, and discuss with the accountant to prepare the advance planning for such changes.

(V) Impacts of changes in technology (information and communication security risks) and industry on the Company's financial operations, and related response measures:

Review and Analysis of Financial Position and Performance and Risk Items



Please refer to VI. Information and Communication Security Management under Operations Overview in Chapter IV of the Annual Report.

- (VI) Impact of changes in corporate image on the Company's risk management, and response measures:
The Company has always upheld the professional and integrity of the operating principles, paid attention to corporate governance, corporate social responsibility, therefore, there is no foreseeable risk associated with changes in corporate image.
- (VII) Expected benefits and possible risks of mergers and response measures:
Not applicable.
- (VIII) Expected benefits and possible risks to expand the plants and the countermeasures:
The Company does not have a plant expansion plan.
- (IX) Risks resulting from consolidation of purchasing or sales operations and response measures:
The Company has always been focusing on the petrochemical and plastics market information research and evaluation and strengthening the production, marketing and procurement and other operational strategic planning to maximize profits. Therefore, it can minimize the risk of purchase or sales concentration.
- (X) Impacts 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 countermeasures: None.
- (XI) Impact, risk, and response measures related to any change in governance rights in the Company:
 - 1. Implementation 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) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: involve the Company and/or any Company director, any Company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any Company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation

commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.

1. Implementation and responsible unit: Legal Division.
2. Concluded or pending major litigious, non-litigious or administrative disputes in the most recent year and as of the date of report:

(1) The Company:

In January 2021, personnel from the Environmental Protection Administration visited the Company's Toufen Plant for an inspection. They discovered that certain operations within the rubber coating manufacturing unit involved surface coating and printing processes. Consequently, it was determined that these processes should be subject to the mass balance method for calculating volatile organic compound (VOC) emissions and associated air pollution control fees. Based on this determination, the Miaoli County Government ordered the Company to pay additional air pollution fees amounting to NT\$60,510,546. The Company legally challenged this administrative decision, and the appeal was upheld by the Environmental Protection Administration's Appeals Committee, resulting in the annulment of the original administrative order.

On September 14, 2023, the Miaoli County Environmental Protection Bureau issued a revised administrative ruling, recalculating and determining that the Company was required to pay an additional air pollution fee of NT\$41,038,306. Unconvinced by this decision, the Company filed an administrative appeal, which led to the Environmental Protection Administration's Appeals Committee revoking the ruling.

However, on August 12, 2024, the Miaoli County Environmental Protection Bureau issued a new administrative ruling, adjusting the additional air pollution fee to NT\$38,932,598. Once again, the Company contested the decision, but this time, the Environmental Protection Administration's Appeals Committee dismissed the appeal. Following a thorough legal review, the Company has formally initiated an administrative lawsuit within the statutory time frame.

- (2) Directors, Supervisors, General Managers, persons with actual responsibility in the Company, and major shareholders holding more than 10% of the Company's shares: None.
- (3) Investments accounted for adopting the equity method:

Review and Analysis of Financial Position and Performance and Risk Items



Regarding the associate, China General Terminal & Distribution Corporation (hereinafter "CGTD"), who was commissioned to operate the LCY Chemical Corp.'s propylene pipeline 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 Kaohsiung City Government on February 12, 2015 and pledged a term deposit of NT\$234,785 thousand (including interest) to the Government as a guarantee for losses caused by the gas explosions. Furthermore, the Kaohsiung City Government has pursued civil litigation against LCY Chemical Corp., CGTD, and CPC Corporation, Taiwan, seeking compensation for the losses sustained. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of NT\$99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. Assets under attachment amounted to approximately NT\$6,401 thousand as of April 29, 2025.

As for the victims, CGTD, LCY Chemical Corp. and Kaohsiung City Government signed a tripartite agreement on July 17, 2015 agreeing to negotiate the compensation first with the 32 victim's successors and persons entitled to the claims ("family of the victim"). Each victim's family was entitled to NT\$12,000 thousand and the total compensation was NT\$384,000 thousand. The compensation was first paid by LCY who also represents the three parties in the settlement negotiation and the signing of settlement agreements with the family of the victim. CGTD also agreed to pay NT\$157,347 thousand to LCY on August 10, 2022 in accordance with 30% of the proportion of fault liability in the first instance judgment in accordance with a tripartite agreement. After that, when the civil litigation is determined, it will be compensated according to the determined liability ratio.

As for the seriously injured victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for serious injuries on October 25, 2017 agreeing to negotiate compensation first with the 65 seriously injured victims. The compensation was first paid by CGTD and the Kaohsiung City Government. The compensation was first paid by CGTD and the Kaohsiung City Government. CGTD also represents the three parties in negotiating

settlements with victims who suffered serious injuries in the incident. It has signed settlement agreements with 64 of the victims.

As of April 29, 2025, victims, affected individuals, and their families from the Kaohsiung gas explosion incident have filed civil lawsuits (including civil claims attached to criminal proceedings) against LCY Chemical Corp, CGTD, and CPC Corporation, Taiwan, seeking compensation. To reduce litigation costs, CGTD reached a settlement for claims that initially totaled NT\$46,677 thousand, with the final settlement amounting to NT\$4,519 thousand. The remaining claims still under litigation, along with the settlement agreements for deceased and severely injured victims mentioned earlier, amount to approximately NT\$3,831,211 thousand. For certain civil cases involving claims of around NT\$1,616,883 thousand, the first-instance rulings have been issued gradually since June 22, 2018. In most rulings, the court determined proportional negligence liability as follows: Kaohsiung City Government (40%), LCY Chemical Corp (30%), and CGTD (30%). The total compensation assigned to LCY Chemical Corp, CGTD, and other defendants is approximately NT\$489,861 thousand, of which NT\$6,194 thousand was ruled as not the responsibility of CGTD.

For civil cases that have been adjudicated at the first instance but not settled, CGTD has filed an appeal to the second instance. The second-instance judgments have been issued progressively since July 10, 2024. As of April 29, 2025, the second-instance rulings on claims filed by the Kaohsiung City Government (totaling approximately NT\$1,137,677 thousand) cover 9 cases. Among them, in 8 cases, CGTD was found jointly liable with LCY Chemical Corp for 10% liability in 5 cases and 20% liability in 3 cases, with a total compensation amount of NT\$79,726 thousand. In 1 case, CGTD was solely responsible for 10% liability, with an independent compensation amount of NT\$297 thousand. Additionally, in the second-instance rulings on claims filed by Taiwan Power Company (NT\$265,822 thousand) and the National Health Insurance Administration (NT\$35,688 thousand), CGTD and LCY Chemical Corp were held jointly liable for a total compensation amount of NT\$108,835 thousand. For the aforementioned second-instance rulings, CGTD has filed an appeal to the third instance for all cases eligible for further appeal. Other cases remain under

Review and Analysis of Financial Position and

Performance and Risk Items



first-instance court proceedings, with total claims amounting to approximately NT\$1,711,504 thousand.

Based on the court-determined liability ratios related to this gas explosion incident, the estimated settlement amounts for fatalities and severe injuries, as well as compensation for civil lawsuits (including settled cases), have been calculated. After deducting the maximum insurance coverage, the estimated self-borne amount has been recorded at NT\$136,375 thousand.

However, the actual amounts for settlements and compensations will only be finalized upon the conclusion of civil litigation and the determination of CGTD's allocated liability. However, the actual amounts for settlements and compensations will only be finalized upon the conclusion of civil litigation and the determination of CGTD's allocated liability.

(XIII) Risk management, policies, and management plans for information security:

Please refer to VI. Information and Communication Security Management under Operations Overview in Chapter IV of the Annual Report.

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

Aspects to consider	Risk description	Response measures
Governance	Production and Sales Strategy and Operational Risks	<p>In response to adverse factors such as China's overcapacity, weak domestic demand, supply chain restructuring, geopolitical risks, and climate change leading to a global economic slowdown, the Company is proactively adjusting its business strategies:</p> <ul style="list-style-type: none"> ●PVC Products: To mitigate these challenges, the Vinyl chain segment is reducing the proportion of long-term raw material procurement contracts, adjusting spot purchases flexibly, and conducting daily rolling inventory reviews. These measures help stabilize product margins and prevent significant losses from finished product price declines. ●Production Operations: Given the low profit margins on raw material exports, the company has designated CGPCPOL as the primary production and export hub due to its lower production costs. In addition, the markup on specialized raw materials from CGPC has been raised to further widen the price gap between products. At the same time, the company is upgrading its equipment to minimize occupational safety risks and boost production efficiency. Investments are being made in air pollution control systems and green energy power generation to improve energy efficiency and reduce costs. Additionally, the adoption of AI technology is being accelerated to enhance precision in manufacturing, ensure safer production, and maintain high product quality. ●Sales Strategy: The Company is broadening its market reach by diversifying product distribution, expanding sales channels, Maintain good customer relationships to increase market share and expand sales, it is actively developing and promoting non-PVC plastic materials as well as obtaining recycling system certifications. Partnerships with external technology development centers are also being pursued to drive innovation in environmentally friendly circular economy materials that align with sustainability goals. ●Product Development: The Company remains committed to innovation by adapting traditional products to better withstand the impacts of climate change. Efforts are also being made to introduce greater color variety in products and explore new sales channels to further enhance the customer experience. <p>Ongoing Monitoring: The Company remains vigilant about the effects of interest rate cuts in major economies, as well as the influence of China's economic stimulus policies on the real estate market and the PVC industry.</p>
	Financial risks	<p>With global inflation easing and central banks gradually lowering interest rates, the Company faces the following financial risks:</p> <ul style="list-style-type: none"> ●Interest Rate Risk: The Company closely monitors market

Review and Analysis of Financial Position and Performance and Risk Items



Aspects to consider	Risk description	Response measures
		<p>interest rate fluctuations and adjusts the maturity and proportion of its borrowings accordingly to mitigate the impact of interest rate volatility.</p> <ul style="list-style-type: none"> ●Exchange Rate Risk: As the U.S. Federal Reserve initiates its rate-cutting cycle, increased volatility in the global foreign exchange market is anticipated. The Company's policy is to hedge 100% of its net foreign exchange positions. However, if exchange rate trends become significantly favorable, the hedging ratio will be adjusted to a manageable level. ●Property Loss Risk: The Company has secured comprehensive property insurance based on its operational and asset scale, with coverage determined by replacement cost. This ensures appropriate risk transfer and mitigation. ●Endorsement and Guarantee Risk: Providing an endorsement and guarantee for a wholly owned subsidiary aligns with the Company's strategy and remains within a manageable risk framework. ●Accounts receivable risks: <ol style="list-style-type: none"> 1.Domestic customers: Strengthen collateral requirements and require joint guarantors. 2.Export Customers: Expand credit insurance coverage or obtain letter of credit insurance, ensuring that the bill of lading is provided only after payment has been received. 3.All Customers: Regularly review financial performance and business conditions, suspending shipments and implementing necessary protective measures for high-risk accounts.
	Disaster and accident risk management	<p>To strengthen disaster and accident risk management, the Company has implemented the following measures:</p> <ul style="list-style-type: none"> ●Regulatory Compliance: In 2024, amendments to the Factory Management Act and Hazardous Materials Reporting Regulations were enacted. The Company has completed an inventory and reporting of hazardous materials, increased insurance coverage, revised the penalty ceiling, and implemented a dynamic reporting system. ●Fire Safety Regulations: In compliance with the Fire Safety Equipment Inspection and Reporting Act (Article 9), the Company has enhanced inspections of fire safety equipment, conducted preemptive maintenance, and promptly addressed deficiencies to ensure all equipment remains fully operational. ●Firefighting Capability Enhancement: In 2024, the Company plans to procure high-flow mobile firefighting water cannons to strengthen fire response capacity. ●Protective Equipment Maintenance: Class A protective gear undergoes annual external inspections to ensure optimal functionality. ●Emergency Response Information: The Company

Aspects to consider	Risk description	Response measures
		<p>continuously establishes and updates the Hazardous Chemicals Access and Response Database (H-CARD) to enhance the provision of rescue and disaster response information.</p> <ul style="list-style-type: none"> ●Chemical Management System: The Company is advancing the implementation of its in-house chemical cloud system, centralizing information on chemical types, quantities, site layout, and emergency response data. This system enables precise and efficient risk management strategies. <p>Fire Incident Response: On October 19, 2024, a fire incident occurred at the Toufen facility with no reported injuries. The fire department investigation identified "heat transfer fluid self-igniting due to oxidation" as the cause. In response, the Company has reassessed start-up and shutdown standard operation procedures, enhanced heat transfer fluid safety measures, and reinforced early warning monitoring systems to prevent recurrence.</p>
	Technology and information security risks	<p>To strengthen information security, the Company has implemented the following measures:</p> <ul style="list-style-type: none"> ●Strengthen Account and Threat Management: Conduct regular audits of SSL VPN accounts and monitor various cybersecurity issues. Perform group-wide IT environment inspections and address vulnerabilities to ensure robust security. ●Establishing a Layered Defense System: Based on operational practices, a three-phase defense framework (prevention, detection, and response) has been implemented to strengthen cybersecurity management. ●Enhancing Cybersecurity Awareness: Engage professional cybersecurity consultants to conduct social engineering drills, as well as cybersecurity training and assessments, every six months. ●Safeguard OT Security: Conduct regular inspections of Operational Technology (OT) equipment, perform asset inventory, and secure USB ports to enhance security measures. ●Managing Vulnerabilities: Engage professional cybersecurity consultants 1–2 times per year to conduct security audits, vulnerability scans, and remediation efforts. Additionally, perform IT environment health checks and analyze network traffic to ensure robust cybersecurity. ●ISO 27001 Certification: The Company has successfully maintained ISO 27001 certification for ten consecutive years, undergoing two internal audits annually to ensure compliance. ●Website and System Security: The corporate website has been migrated to the cloud with a backup mechanism in place. Firewall protection has been strengthened and regular disaster recovery drills are conducted, including for critical

Review and Analysis of Financial Position and Performance and Risk Items



Aspects to consider	Risk description	Response measures
		<p>systems, using the 3-2-1 backup strategy.</p> <ul style="list-style-type: none"> ●Improve Endpoint and USB Device Management: Two different Endpoint Detection and Response (EDR) solutions have been deployed for key information assets. In addition, periodic inventory checks and malware scans are performed on external USB storage devices. ●Establish a Dedicated Cybersecurity Unit: Create a specialized cybersecurity unit led by a designated manager and staffed with personnel responsible for planning, monitoring, and executing information security operations under appropriate supervision. ●Smart Factory Development: The Company is leveraging AI-driven initiatives to advance its smart factory vision. Ongoing projects include process optimization, safety monitoring, and equipment identification, AOI for electrical panels using thermal imaging, intelligent forklift safety systems, warehouse automation, and automated pipe production lines.
	Others	<ul style="list-style-type: none"> ● Research and development risk: <ol style="list-style-type: none"> 1. In order to adhere to the intellectual property management policy, enhance the company's industry position and protect existing technological advancements, the company has filed two patent applications in 2024: <ol style="list-style-type: none"> (1)Patent for Translucent Layer Structure: Granted under <u>Utility Model No. M657916</u>, with the patent rights valid until April 8, 2024. (2)Patent for Heat Reflective Layer Structure: Granted under <u>Utility Model No. M664325</u>, with the patent rights valid until August 15, 2024. 2.Product formulations are controlled through the ERP system, while document management is handled by the Document Management Center, ensuring no risk of data leaks. 3. The R&D department is actively overseeing the 2024 research and development plan while preparing the strategy for 2025. Carbon emissions have been factored into product development, emphasizing circular economy principles, clean production processes, and green energy solutions. Product development competitiveness is also regularly assessed to ensure effective management. ● Legal risks: <p>In 2024, legal consultation and assistance were provided for administrative litigation cases related to the retroactive collection of air pollution control fees at the Toufen main plant and alleged violations of the Air Pollution Control Act, as well as for issues concerning idle land at the Zhongshan plant. In other areas, including compliance risk, transactional risk, and legal awareness and conduct, operations proceeded normally throughout the</p>

Aspects to consider	Risk description	Response measures
		year.
Environmental risks	Climate change and environmental risks	<p>To address climate change and environmental risks, the Company has implemented the following measures:</p> <ul style="list-style-type: none"> ●Carbon Reduction Targets and Energy Conservation Initiatives: The Group has set a target to reduce carbon emissions by 27% by 2030 compared to 2027 levels, with a long-term goal of achieving carbon neutrality by 2050. ●Energy-Saving Programs and Technical Exchange: Technical case sharing sessions are held across Group facilities every year to encourage the exchange of energy-saving and carbon reduction technologies and experiences. During June 19 and June 20, 2024, the Environmental Affairs and Energy Management Office conducted an on-site campaign at CGPC Toufen Plant to promote energy conservation and carbon reduction regulatory trends, discussed key carbon emitting and energy consuming equipment, including analysis, diagnostic results, improvement tracking, recommendations for improvement were made, and plans for regular follow-up after the meeting to monitor implementation progress. ●Implementation of Energy Management Systems and Internal Carbon Pricing: Nine core domestic production sites within the Group have adopted the ISO 50001 Energy Management System to enhance energy performance management. In response to the government's carbon fee policy, the Group has introduced an internal carbon pricing mechanism. The pricing will be based on national carbon fee benchmarks and is planned to be integrated into the Group's decision-making and investment evaluation processes to assess the impact of carbon emissions on operations and accelerate carbon reduction efforts. An employee training session was also held on September 19 to enhance carbon reduction awareness across the organization. ●Regulatory Monitoring and Public Engagement: The Company actively tracks developments in domestic and international environmental regulations, particularly those related to energy and greenhouse gases, while participating in public hearings to assess the impact of new policies and develop effective response strategies. ●Assessing Climate Change Impacts and Developing New Energy Sources: Using TCFD guidelines and international research reports, the Company evaluates potential climate change risks and opportunities while actively planning new energy projects. At CGPC's Toufen plant, a rooftop solar system was installed with an initial capacity of 2.12 MW, but due to fire damage in 2024, its capacity was adjusted to 1.88 MW after accounting for a loss of 0.24 MW. The

Review and Analysis of Financial Position and Performance and Risk Items



Aspects to consider	Risk description	Response measures
		<p>company is currently prioritizing solar power while exploring opportunities in wind and geothermal energy.</p> <ul style="list-style-type: none"> ● Enhancing Environmental Management and Inspections: Each month, the Company compiles statistics on environmental inspections and penalties across all facilities, requiring self-review and immediate corrective actions. VOC leakage is tracked quarterly, with reinforced monitoring and repair protocols. Additionally, an annual safety and environmental audit plan is implemented to ensure full regulatory compliance. ● Strengthening Environmental Health and Safety Training and Incident Prevention: The Company organizes annual professional training programs in environmental health and safety to enhance the technical competence of employees. In addition, awareness materials based on major environmental incidents reported in the news are prepared and distributed to all plants to prevent similar incidents. ● Implementing Carbon Emission Management and Pollution Prevention: <ol style="list-style-type: none"> 1. Carbon Emission Management: The Company engaged a third-party organization to verify its greenhouse gas emissions and uploaded the verified data to the National Greenhouse Gas Registry Platform of the Ministry of Environment. In 2024, the Company participated in the CDP questionnaire evaluation and achieved dual B management ratings in Climate Change and Water Security categories. The Company also calculated the carbon footprint of products such as water pipes, hydrochloric acid, sodium hydroxide, and bleach, while maintaining compliance with the ISO 46001 Water Resource Management System. 2. Waste Management: Monthly waste inspections are conducted to identify and address any environmental compliance issues, with corrective action notices issued and follow-ups performed to ensure improvement are made. The Company also conducts regular audits of waste disposal contractors to verify their treatment capabilities. In addition, efforts are made to promote the reuse of recyclable materials to reduce overall waste generation. 3. Air Pollution Control: The leather plant has installed VOC exhaust treatment systems to effectively reduce air pollutant emissions. Coal-fired boilers have been phased out and replaced with natural gas boilers, lowering greenhouse gas emissions. 4. Safety Measures: High-pressure transfer equipment has been installed to address potential emergencies during the transportation of vinyl chloride tankers. ● Enhancing Sustainability Image: The Company actively participates in initiatives such as the Green Chemistry

Aspects to consider	Risk description	Response measures
		Application and Innovation Awards and the Net-Zero Transition and Air Pollution Prevention Forum to strengthen its reputation for sustainable operations and environmental stewardship.
Society	Human resources risks	<p>The Group continues to actively monitor and manage risks related to human resources, while dynamically adjusting control mechanisms in response to changes in risk factors.</p> <ul style="list-style-type: none"> ● Talent Shortage Risks <ol style="list-style-type: none"> 1. Talent Acquisition: The Company uses multiple recruiting channels and partners with renowned domestic and international universities to develop interns. 2. Talent Development: A comprehensive training framework and career roadmap have been established, offering a variety of courses and promoting employee skill development. 3. Optimizing Deployment: Establish a promotion system and a talent deliberation committee, refine the talent pool mechanism, enhance talent development, and execute a robust succession plan. ● Talent Attrition Risks <ol style="list-style-type: none"> 1. Harmonious Labor Relations: Maintain strong communication with labor unions to build a relationship of mutual trust and support. 2. Competitive Compensation and Benefits: Offer a competitive salary structure and implement an employee profit-sharing scheme, ensuring all employees benefit from the company's success. 3. Overseas Compensation Strategy: Align compensation at overseas subsidiaries with local market standards and operational performance to encourage long-term employee commitment. ● Compliance Risks <ol style="list-style-type: none"> 1. Integrity in Operations: Establish relevant policies and procedures, and conduct regular training sessions to strengthen employees' awareness and commitment to ethical practices. 2. Professional Consultation: Outside legal counsel is retained to provide advice and periodically review human resources policies to ensure compliance. 3. Effective Reporting Channels: Establish a comprehensive reporting system, set up audit committee mailboxes, and encourage employees to report misconduct. In 2024, no violations or reports of unlawful incidents were recorded.
	Occupational safety risks	<p>To mitigate the risk of occupational hazards, the Company has implemented the following measures:</p> <ul style="list-style-type: none"> ● Strengthening Safety Culture: On November 14, 2024, the Group held 2024 Technical Case Presentation Conference across its facilities, encouraging facilities to share best practices in workplace safety, environmental protection,

Review and Analysis of Financial Position and Performance and Risk Items



Aspects to consider	Risk description	Response measures
		<p>equipment preventive maintenance, and energy conservation and carbon reduction. Facilities that achieved over 1,000 consecutive accident-free days were publicly recognized for their commitment to safety.</p> <ul style="list-style-type: none"> ● Enhancing Safety Monitoring: Each month, the Company tracks the number of major occupational incidents and the cumulative number of accident-free days across all facilities. We also regularly review the outcomes of government safety inspections and any related fines, using them as benchmarks for awareness and continuous improvement. As of the end of December, the CGPC Toufen Plant recorded zero safety violations or fines for the year. ● Regulatory Compliance and Safety Awareness: We conduct regular safety and environmental audits to ensure compliance with all relevant regulations. A contractor disciplinary policy has been established as a reference for safety violations. On August 1, 2024, CGPC held a hands-on contractor safety management and lockout/tagout (LOTO) training session at the Toufen Plant to strengthen the professional skills of safety and environmental personnel at all sites. The session also introduced the golden safety rules from the U.S. petrochemical industry to enhance safety awareness and best practices. ● Improve Process Safety: The Group holds semi-annual northern region resource integration meeting to promote process safety knowledge and produces promotional posters on major occupational accidents to enhance accident learning and prevention. ● Fostering Communication and Collaboration: A northern region resource integration meeting is held every six months to facilitate communication and share updates on safety and environmental initiatives across sites. ● Improving PSM Management: The Company continue to conduct cross-site and internal process safety management (PSM) audits while developing a digital PSM platform to streamline operations. By integrating CMMS to calculate equipment reliability metrics, we aim to reduce the risk of equipment failure and ensure that field implementation aligns with established procedures and documentation requirements. ● Improving the Work Environment: Improvement work was carried out on the high-noise area (PVC leather crushing) in the factory, and the AOI intelligent sensing safety system for forklifts was introduced (50 forklifts were installed, and the forklift management platform was set up for monitoring and control) to improve the safety of the operation. <p>Employee Health Promotion: Once a month, a doctor visits the site to provide health related consultations and organizes weight management activities, health seminars and</p>

Aspects to consider	Risk description	Response measures
		health checkups to reduce the incidence of diseases among employees.

Note: Risk considerations are primarily based on the operations of CGPC.

VII. Other Important Matters: The Company's Key Performance Indicators

- (I) Productivity achievement rate: Compared to the annual target, raw materials products reached 77.30% and processed products reached 84.20%.
- (II) Yield: Compared to the annual target, raw materials products reached 100.30% and processed products reached 99.20%.
- (III) Customer complaints: In 2024, the ratio of annual losses from customer complaints (excluding quantity discounts) was 0.1387% (the losses from customer complaints as a ratio of the revenue) and it was within the Company's control.
- (IV) Employee proposals: In 2024, there were 372 proposals (established cases) and the estimated savings is NT\$25.18 million.
- (V) Work Safety Incident:
Injury frequency in 2024 (number of disability and injury per million hours): 0
Injury severity rate in 2024 (total number of days of losses due to disability and injury per million hours): 0
The incidence of work safety is still within a manageable range for the Company.



VI. Special Notes

I. Information Regarding Affiliated Companies

The 2024 Consolidated Business Report, Consolidated Financial Statements, and Affiliation Report have been publicly disclosed and filed on the Market Observation Post System (MOPS). For details, please refer to the “Basic Information / E-Books / Affiliated Company Reports” section on the MOPS website:

(https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=1305&year=&mtype=K&isnew=true).

II. Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

III. Other Supplementary Information: None.

IV. Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

China General Plastics Corporation

Chairman: Wu, Yi-Gui