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日勝化工股份有限公司

EVERMORE CHEMICAL INDUSTRY CO., LTD.

ANNUAL REPORT 2025

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https://www.twemc.com/

Notice to readers

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

I. The Company's Spokesman

Name: Wu Pao Hua
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Tel. No.: (049)2263551
Email: baohua@twemc.com.tw

Deputy Spokesman

Name: Ho Han Jen
Job Title: Factory Manager
Tel. No.: (049)2263551
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II. Address and Tel. No. of the Company and factories

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

Tel. No.: (049)2255356-7

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

Tel. No.: (049)2255356-7

Dayuan Factory：No. 31, Dagong Road, Dayuan District, Taoyuan City

Tel. No.: (03)3868956

III. Shares Administration Agency

Name: KGI Securities, Stock Administration Dept.

Address: 5F, No. 2, Chong Qing S. Rd., Taipei City

Tel. No.: (02)23892999

Website: http://www.kgieworld.com.tw/

IV. CPAs certifying the latest annual financial statements

CPAs: Tai, Hsin Wei and Su Ding Jian

Firm Name: Deloitte & Touche

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

Tel. No.: (04)37059988

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

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. The Company's website: https://www.twemc.com

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ONE. LETTER TO SHAREHOLDERS

I. 2025 Business Report

(I) Operating Results for 2025

The Company's consolidated net revenue for 2025 is NTD 2,303,489 thousand, the consolidated net profit after tax was NTD 77,624 thousand and consolidated basic earnings per share after tax was NTD 0.78 per share.

In 2025, impacted by regional conflicts and the imposition of U.S. tariffs, the overall economy experienced mixed results across industries. While electronics-related industries benefited from advancements in AI technology and achieved higher growth, other sectors did not perform as well. The Company's operating revenue decreased by 12.9% in 2025 compared to 2024. Strategically, the Company continued to adjust its product portfolio to increase the proportion of high-value products to maintain revenue and profitability. Additionally, investment businesses were disposed of in line with operational strategies, and efforts continued to maintain accounts receivable quality and manage operating expenses to strengthen the Company's financial structure.

Business performance: Unit: NTD thousand

Item	2025	2024	Growth Rate
Operating Revenue	2,303,489	2,646,091	-12.9%
Operating Profits	52,216	106,768	-51.1%
Net income before tax	99,932	128,134	-22.0%
Profit after tax	77,624	96,413	-19.5%

(II) Budget Implementation

The Company has not disclosed the financial forecasts for the year of 2025.

(III) Financial Revenue and Expenditure

As of December 31, 2025, total assets were NTD 2,955,375, total liabilities were NTD 1,402,979, debt ratio was 47.47%, and current ratio was 122.3%.

(IV) Analysis of Profitability

Item	2025	2024
Return on assets (%)	3.07	3.47
Return on equity (%)	4.96	6.27
Income before tax/paid-in capital (%)	10.05	12.89
Net profit margin (%)	3.36	3.64
Earnings per share (NT$)	0.78	0.97

(V) Status of Research and Development

1. R & D expenses spent in this year:

Item	2025
Amount (NTD thousand)	63,248
Proportion to operating revenue (%)	2.49%

2. The technologies or products developed successfully:

A. Non-yellowing Supercritical Fluid Foaming Injection Grade TPU

B. Low-reflective UV coating

C. High-performance CPU-based materials are used to enhance the support and strength of shoe uppers

D. PU resin for making grinding materials

E. High transparency TPU material is used in injection molding for shoe materials

F. High explosion-proof TPU pipes

G. High-performance shoe material inks compliant with restricted substance regulations

H. Moisture-curing hot-melt adhesive for system kitchens

I. UV monomer with high EO value for 3D printing

J. Developing UV-curing resin for PCB

K. Development of low-temperature deblocking crosslinking agent

II. Summary of 2026 Business Plan

(I) Business Policies

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

synergistic promotion of the Group's subsidiaries, we particularly focus on the development of the shoes materials market in Vietnam and ink market in Thailand. In addition, the Company will also enhance the development and promotion in the Japanese and Korean markets. In addition, through alliances with customers, we create opportunities to develop the textile markets in India and Indonesia.

7. We will strengthen the competitive advantage in the UV hardening coatings market and continue the investment in the production and sales of UV paper glazing coatings and functional oligomers, in order to further expand the Group's integration and synergy in UV and increase the Group's business scale.
8. We also aim to strengthen R&D capability in the development of thermoplastic critical foaming materials, in order to expand market share.

(II) Expected Sales Volume and Its Basis

Unit: MT

Type of Products	PU resin	PE resin	Other products
Quantity	27,601	2,851	999

The aforementioned expected quantities are based on the annual sales in 2025, in reference to the estimate of the overall economic situation for 2026.

(III) Significant Policies for Production and Sales

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

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

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

-To strengthen the function of the Group: Set up the general manager's office, integrate the executive functions of the Group, and the operational affairs of each business unit, enhance the functional level of the Group, and integrate and make full use of internal resources to maximize the value of the consolidate effects produced by various subsidiaries.

- To enhance the ability of the dedicated teams to take charge: keep the group's finance, marketing, R&D and supply chain functioned as the group's management center, with each department focused on the operation and management of specific areas, so that they are responsible for their respective goals and strategies, and create profits.

-To continuously review and focus on core competencies: Carry out internal evaluation of the value and scalability of core competencies, and innovate products and sustain core capabilities by exerting the existing capabilities of marketing and R&D.

-To build a service-oriented business model: The key to the future business strategy of EVERMORE CHEMICAL is re-examining the characteristics of the existing industrial value chains with innovative thinking and vision, finding new niche, creating differentiated value, and developing the manufacture service-oriented corporate culture.

- Beginning with the end: Start with meeting the needs of the terminal industry and the market based on the core capabilities of precision chemistry and materials technology, and deeply explore and focus on the niche market. Looking ahead, we will focus on the overall solution in the year, by going beyond the original product application market, integrating the existing technologies of products with innovative thinking, providing customers with higher added value and developing innovative production process that keeps up with the green trends of carbon reduction and low pollution in the future.

-To improve production technology, product quality, yield rate and other related production processes through the cooperation model of international subcontracting.

- To expand the fields of construction, optoelectronics, adhesives and film materials, etc. through the AICA cooperation platform to improve business performance and profitability.

- To actively expand the Southeast Asia and emerging markets, and the Northeast Asia characteristic product market.

- To continuously recruit and train outstanding talents to achieve medium- and long-term organizational goals.

- To develop new products with high added value and enhance internal core technologies based on industry trends and customer needs.

- Focus on development of green and eco-friendly products and also on the development and promotion based on the three main focuses of Recycle, Sustainability and CO_2 reduction.

- Deploy the organization functions of the Sustainability Center, and integrate the Group's resources to promote ESG works.

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

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

lean production and strengthens the recycling of internal wastes, reduces waste emissions, and continues to develop environmentally friendly products in response to market development needs in the future; at the same time, in response to the changes in the business environment, we will overcome excessive dependence on a single market, and gradually strengthen the development of the Southeast Asian market.

We thank you all for attending the shareholders' meeting today, and we wish you good health and good luck!

Chairman: Wen-Chieh Ho

Managerial Officer: Chang-Tze Huang

Accounting Officer: Hsiang-Li Chen

Two. Corporate Governance Report

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

1. Information of Directors (I)

March 29, 2026

Job title	Nationality or place of registration	Name	Gender/Age	Date of election (appointment)	Term of office	Date when first elected	Shares held at time of election		Number of shares held currently		Shares currently held by spouse or underage children		Shares held in the names of others		Major (Academic Degree) Experience	Concurrent positions in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads, directors or supervisors			Note(Note 1)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares				Job title	Name	Relationship	
Chairman	Taiwan (R.O.C.)	Wen-Chieh Ho	Male 71-80	2024.06.27	3	1989.04.24	7,003,532	7.05	7,003,532	7.05	2,000,657	2.01	0	0.00	Bachelor Sales Manager of Jiehua Chemical Company, Chairman of Giant Star Trading Co., Ltd.	Chairman of the Company Chem-Mat Technologies Co., Ltd. and Chairman	None	None	None	None
Director	Taiwan (R.O.C.)	Chang-Tze Huang	Male 61-70	2024.06.27	3	2021.08.10	93	0.00	93	0.00	5,000	0.01	0	0.00	Master Research Fellow of ITRI Material & Chemical Research Laboratories; Deputy Assistant Vice President of Pou Chen Corporation, Director of Giant Star Trading Co., Ltd.	President of EVERMORE CHEMICAL INDUSTRY CO, LTD. Director of Chem-Mat Technologies Co., Ltd.	None	None	None	None
Corporate Director	Japan	Aica Kogyo Company Limited	-	2024.06.27	3	2018.03.07	49,793,388	50.10	49,793,388	50.10	0	0.00	0	0.00	-	-	None	None	None	None
Representative of Aica Kogyo Company Limited	Japan	Omura Nobuyuki	Male 61-70	2024.06.27	3	2018.06.26	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor Managing Director and Head of the Chemical Products Division, Mitsui & Co., Ltd.	Director, Managing Executive Officer, and Head of Overseas Business Division, Aica Kogyo Company Limited.; Chairman, Aica Asia Pacific Holding Pte. Ltd.; General Manager, Aica Asia Laminates Holding Co., Ltd.	None	None	None	None

Job title	Nationality or place of registration	Name	Gender/Age	Date of election (appointment)	Term of office	Date when first elected	Shares held at time of election		Number of shares held currently		Shares currently held by spouse or underage children		Shares held in the names of others		Major (Academic Degree) Experience	Concurrent positions in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads, directors or supervisors			Note(Note 1)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares				Job title	Name	Relationship	
Representative of Aica Kogyo Company Limited	Japan	Hisano Norikazu	Male 51-60	2025.04.01	2.25	2025.04.01	0	0.00	0	0.00	0	0.00	0	0.00	Master Head of Development and Planning Department of Aica Kogyo Company Limited, Manager of R&D Department, Manager of Sales Department and Assistant Vice President of President's Office of Evermore Chemical Industry Co., Ltd.	Manager of Chemical Product Business Department and Sales Department of Aica Kogyo Company Limited	None	None	None	None
Representative of Aica Kogyo Company Limited	Japan	Mori Yosuke	Male 51-60	2024.06.27	3	2022.04.18	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor Finance Department Manager, Aica Kogyo Company Limited	Finance Department Manager, Aica Kogyo Company Limited	None	None	None	None
Corporate Director	Taiwan (R.O.C.)	Yue Dean Technology Corporation	-	2024.06.27	3	2021.08.10	1,786,760	1.80	1,786,760	1.80	0	0.00	0	0.00	-	-	None	None	None	None
Corporate Representative of Yue Dean Technology Corporation	Taiwan (R.O.C.)	Yu-Chi Lee (Note 2)	Male 51-60	2025.02.17	2.42	2025.02.17	0	0.00	0	0.00	0	0.00	0	0.00	Master Assistant Vice President of Pou Chen Corporation	(Note 3)	None	None	None	None
Independent Director	Japan	Higashiyama Mikio	Male 61-70	2024.06.27	3	2018.06.26	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor Chairman of Board of MITSUI & CO. (Taiwan), LTD., SME Advisor of Small & Medium Enterprises and Regional Innovation	None	None	None	None	None

Job title	Nationality or place of registration	Name	Gender/Age	Date of election (appointment)	Term of office	Date when first elected	Shares held at time of election		Number of shares held currently		Shares currently held by spouse or underage children		Shares held in the names of others		Major (Academic Degree) Experience	Concurrent positions in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads, directors or supervisors			Note(Note 1)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares				Job title	Name	Relationship	
Independent Director	Taiwan (R.O.C.)	Wan-Yu Chen	Female 41-50	2024.06.27	3	2024.06.27	0	0.00	0	0.00	0	0.00	0	0.00	Master Deputy Team Leader at Ernst & Young Taiwan, Senior Manager of Investment Banking Division at Yuanta Securities, and Certified Public Accountant at Yutang CPA Firm.	CPA, Yutang CPA Firm	None	None	None	None
Independent Director	Taiwan (R.O.C.)	I-Hsiu Su (Note 4)	Male 51-60	2024.06.27	3	2018.03.07 (Note 4)	0	0.00	0	0.00	0	0.00	0	0.00	Master Investigation Officer of Investigation Bureau, Ministry of Justice, Prosecutor of Taiwan District Prosecutors Office, Attorney-at-Law of Kuroda Law Offices, Supervisor of EVERMORE CHEMICAL INDUSTRY CO., LTD.	Partner, Attorney-at-Law of Kuroda Law Office	None	None	None	None

Note 1: The Company's Chairman and President or equivalent (top manager) are the same person, or spouse or relative within one degree of kinship to the other. The reason, rationality, necessity and relevant information of the corresponding measures should be explained (e.g., the number of independent directors should be increased, more than half of the directors should not be concurrent employees or managers, etc.).

Note 2: Former representative Chi-Chih Hung dismissed on January 22, 2025.

Note 3: Serves as a director of Top Units Developments Limited, Active Creation Co., Ltd., Dah Chen Shoe Materials Ltd., Dah Sheng Vietnam Co., Ltd., Mega Sky International Limited, Time Swift Investments Limited, PT. DahSheng, Radiant Ally Holdings Limited, and Radiant Lion Limited.

Note 4: Elected and assumed office as Supervisor on March 7, 2018 (by-election), re-elected and assumed office as Supervisor on June 26, 2018 (general election), stepped down on August 10, 2021, and was elected and assumed office as Independent Director on June 27, 2024 (general election).

Table 1: Major shareholders of corporate shareholders

March 29, 2026

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders	
	Name of Shareholder	Shareholding
Aica Kogyo Company Limited	1.The Master Trust Bank of Japan, Ltd. (Trust Account)	16.34%
	2.Custody Bank of Japan, Ltd. (Trust Account)	9.03%
	3.Business Connections Shareholding Association of Aica Kogyo Company, Ltd.	3.97%
	4.Employee Shareholding Association of Aica Kogyo Company, Ltd.	2.60%
	5.Custody Bank of Japan, Ltd. (Trust Account No.4)	2.48%
	6.STATE STREET BANK AND TRUST COMPANY 505001	2.45%
	7.SUMITOMO LIFE INSURANCE COMPANY	2.08%
	8.Dai Nippon Printing Co., Ltd.	2.04%
	9.SG/UCITS V/INV	1.84%
	10.J.P.MORGAN CHASE BANK 385781	1.21%
Yue Dean Technology Corporation	Great Pacific Investments Ltd.	100%

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

March 29, 2026

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

Name of Juristic Person	Major Shareholders of Juristic Person	
	Name of Shareholder	Shareholding
Business Connections Shareholding Association of Aica Kogyo Company, Ltd.	Cannot be accessed due to practical restrictions.	-
Employee Shareholding Association of Aica Kogyo Company, Ltd.	Cannot be accessed due to practical restrictions.	-
Custody Bank of Japan, Ltd. (Trust Account No.4)	Cannot be accessed due to practical restrictions.	-
STATE STREET BANK AND TRUST COMPANY 505001	Cannot be accessed due to practical restrictions.	-
SUMITOMO LIFE INSURANCE COMPANY	Cannot be accessed due to practical restrictions.	-
Dai Nippon Printing Co., Ltd.	1. The Master Trust Bank of Japan, Ltd. (Trust Account)	17.79%
	2. Custody Bank of Japan, Ltd. (Trust Account)	6.49%
	3. The Dai-ichi Life Insurance Company, Limited	3.28%
	4. Employee Shareholding Association of Dai Nippon Printing Co., Ltd.	2.88%
	5. Nippon Life Insurance Company	2.10%
	6. State Street Bank West Client-Treaty 505234	1.98%
	7. State Street Bank And Trust Company 505001	1.85%
	8. Mizuho Bank, Ltd.	1.70%
	9. GOVERNMENT OF NORWAY	1.58%
	10. JP MORGAN CHASE BANK 385781	1.39%
SG/UCITS V/INV	Cannot be accessed due to practical restrictions.	-
J.P. Morgan Securities Japan Co., Ltd.	J.P. Morgan International Finance Limited	100.00%
Great Pacific Investments Ltd.	Pou Hing Industrial Co., Ltd.	100%

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

Information about directors (2)

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

March 29, 2026

Qualifications / Name	Professional Qualifications and Experience	Independence	Number of positions as an Independent Director in other public listed companies
Wen-Chieh Ho	1. the R.O.C. national; male; appointed for the first time in April 1989; the Company's current Chairman. 2. Bachelor, Tamkang University Department of Chemistry; a former manager of JYE HWA CHEMICAL INDUSTRIAL CO., LTD.; the Company's founder, cultivating the chemical engineering industry for more than 40 years; experienced in the industry which the Company is engaged in, with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	--	0
Chang-Tze Huang	1. the R.O.C. national; male; appointed for the first time in August 2021; the Company's current President. 2. Master of Chemical Engineering, National Tsing Hua University; a former research fellow of ITRI Material & Chemical Research Laboratories, and former Deputy Assistant Vice President of Pou Chen Corporation; engaged in the chemical engineering industry for more than three decades and experienced in the industry which the Company is engaged in, with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	--	0
Aica Kogyo Company Limited Representative: Hisano Norikazu	1. a Japanese national; male, appointed for the first time in April 2025; current Director of Business Department, Aica Kogyo Company, Limited. 2. Graduate from Architecture, Civil Engineering and Industrial Management Engineering of Toyohashi University of Technology; entered Aica Kogyo Company Limited in 2023, responsible for development of multiple chemical products in the R&D Dept., development of functional materials in the Sales Dept., and engaged in development and sales for many years, with the experience necessary for the Company's business. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	--	0

Aica Kogyo Company Limited Representative: Omura Nobuyuki	1. a Japanese national; male, appointed for the first time in June 2018; current Managing Director of Aica Kogyo Company Limited. 2. Bachelor, The University of Tokyo Department of Economics; a former employee of Mitsui & Co., Ltd.; recruited by Aica Kogyo Company Limited in 2009, engaged in chemical engineering and construction materials industries for many years, with work experience in the area of commerce, law, finance or accounting, or otherwise necessary for the business of the Company. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	--	0
Aica Kogyo Company Limited Representative: Mori Yosuke	1. a Japanese national; male, appointed for the first time in April 2022; current General Manager of Finance, Aica Kogyo Company Limited. 2. Bachelor, Aichi Gakuin University Department of Economics: Recruited by Aica Kogyo Company Limited in 2015, assuming the positions including overall planning, board of directors management and general manager of finance, with work experience in the area of commerce, law, finance or accounting, or otherwise necessary for the business of the Company. 2. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	--	0
Yue Dean Technology Corporation Representative: Yu-Chi Lee	1. R.O.C. national; male; appointed for the first time in February 2025; currently serves as Supervisor/Deputy Assist Vice President of Joint Venture Management Division, Global Supply Chain Management Center, Pou Chen Corporation 2. Master's Degree, Graduate Institute of Political Science, National Taiwan University, having worked in Pou Chen Corporation for many years and well experienced in the footwear industry, with literacy in the field of commerce, law, finance or accounting, or otherwise necessary for the business of the Company. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	--	0
Higashiyama Mikio (Independent director)	1. a Japanese national; male; appointed for the first time in June 2018. 2. Bachelor, Keio University Faculty of Business and Commerce: former Chairman and President of MITSUI & CO. (Taiwan), LTD., having served in MITSUI & CO. for more than 30 years, with work experience in the field of commerce, law, finance and accounting, or otherwise necessary for the business of the Company. 2. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	He/she or his/her spouse or relative with the second degree of kinship: 1. Is not a director, supervisor or employee of the Company or any of its affiliates; 2. Does not hold any of the Company's shares; 3. Is not a director, supervisor or employee of any company engaged in specific relationship with the Company; 4. Has not provided any commercial, legal, financial, accounting or other professional services to the Company or any of its affiliates in the most recent two years.	0

Wan-Yu Chen (Independent director)	1. the R.O.C. national; female; appointed for the first time in June 2024. 2. Master's degree from the Institute of Accounting, National Cheng Kung University; formerly served as Deputy Manager at Ernst & Young Certified Public Accountants and Professional Manager at Yuanta Securities Investment Banking Department. Currently a practicing CPA at Yu tung CPAs. With over ten years of experience in financial-related work, possesses extensive expertise in business, legal affairs, finance, accounting, and other areas relevant to corporate operations 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	He/she or his/her spouse or relative with the second degree of kinship: 1. Is not a director, supervisor or employee of the Company or any of its affiliates; 2. Does not hold any of the Company's shares; 3. Is not a director, supervisor or employee of any company engaged in specific relationship with the Company; 4. Has not provided any commercial, legal, financial, accounting or other professional services to the Company or any of its affiliates in the most recent two years.	1
I-Hsiu Su (Independent director)	1. the R.O.C. national; male; appointed for the first time in June 2024; current partner attorney-at-law of Kuroda Law Office 2. Master's Degree in Criminal Law, Graduate Institute of Law, National Taiwan University; formerly served as Investigator at the Ministry of Justice and Prosecutor at the Banqiao District Prosecutors Office; previously Supervisor of Evermore Chemical Industry Co., Ltd.; currently a lawyer and partner at Kuroda Law Offices (Japan), with extensive experience in legal affairs and corporate operations. 3. Is not a person satisfying the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	He/she or his/her spouse or relative with the second degree of kinship: 1. Is not a director, supervisor or employee of the Company or any of its affiliates; 2. Does not hold any of the Company's shares; 3. Is not a director, supervisor or employee of any company engaged in specific relationship with the Company; 4. Has not provided any commercial, legal, financial, accounting or other professional services to the Company or any of its affiliates in the most recent two years.	0

II. Diversity and independence of the Board of Directors:

(I) Diversity of the Board of Directors:

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

(1) The specific goals for the diversity of the Company's director re-election in 2025 and their achievements are as follows:

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

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

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

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

(II) Independence of the Board of Directors:

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

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

March 29, 2026

Job title	Nationality	Name	Gender	Date of election (appointment)	Shares held		Shares currently held by spouse or underage children		Shares held in the names of others		Major (Academic Degree) Experience	Concurrent positions in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks (Note 1)
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Job title	Name	Relationship	
President	Taiwan (R.O.C.)	Chang-Tze Huang	Male	2016.07.01	93	0.00	5,000	0.01	0	0.00	Master Research Fellow of ITRI Material & Chemical Research Laboratories; Deputy Assistant Vice President of Pou Chen Corporation	Director of Chem-Mat Technologies Co., Ltd.	None	None	None	None
Group Vice President	Taiwan (R.O.C.)	Ching-Song Lee	Male	2019.04.01	0	0.00	0	0.00	0	0.00	Bachelor EVERMORE CHEMICAL INDUSTRY CO, LTD Sales Office Supervisor	None	None	None	None	None
Business Department Assistant Vice President	Taiwan (R.O.C.)	Shih-Chieh Wang	Male	2019.04.01	0	0.00	2,040	0.00	0	0.00	PhD EVERMORE CHEMICAL INDUSTRY CO, LTD Head of Research & Development	None	None	None	None	None
Administration Department Assistant Vice President	Taiwan (R.O.C.)	Pao-Hua Wu	Male	2017.12.01	25,000	0.03	0	0.00	0	0.00	Bachelor EVERMORE CHEMICAL INDUSTRY CO, LTD Head of Administration	None	None	None	None	None
Manager, R&D Department	Taiwan (R.O.C.)	Ming-Yu Ho	Male	2025.08.08	0	0.00	0	0.00	0	0.00	Bachelor EVERMORE CHEMICAL INDUSTRY CO, LTD Head of Research & Development	None	None	None	None	None

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

II. Remuneration to Directors, Supervisors, President and Vice President in the Most Recent Year:

1. Remunerations of General Directors and Independent Directors

December 31, 2025; Unit: NTD

Job title	Name	Remuneration of directors								Sum of A, B, C, and D as percentage of income after tax		Remuneration from concurrently servings as employees								Sum of A, B, C, D, E, F and G as percentage of income after tax		Remuneration from investees other than subsidiaries
		Remuneration (A)		Pension upon retirement (B)		Remuneration to directors (C)		Professional practice expenses (D)				Wages, bonuses, and special allowances, etc. (E)		Pension upon retirement (F)		Remuneration to employees (G)						
																The Company		All companies included in the financial statements				
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Cash	Stock	Cash	Stock	The Company	All companies included in the financial statements	
Chairman	Wen-Chieh Ho	0	0	0	0	1,974,615	1,974,615	3,030,000	3,030,000	5,004,615/ 6.4472%	5,004,615/ 6.4472%	5,189,984	5,189,984	0	0	204,303	0	204,303	0	10,398,902/13.3964%	10,398,902/13.3964%	0
Director	Chang-Tze Huang																					
Director	Aica Kogyo Company Limited																					
	Representative: Omura Nobuyuki																					
	Representative: Nishino Go (Note 1)																					
	Representative: Hisano Norikazu (Note 2)																					
	Representative: Mori Yosuke																					
Director	Yue Dean Technology Corporation																					
	Representative: Chi-Chih Hung (Note 3)																					
	Representative: Yu-Chi Lee (Note 4)																					
Independent Director	Higashiyama Mikio																					
Independent Director	Wan-Yu Chen																					
Independent Director	I-Hsiu Su																					

1. Regarding independent directors' remuneration payment policies, systems, standards and structure, and in accordance with their responsibilities, risks, time invested and other factors, describe the relevance to the amount of remuneration: Independent directors of the Company bear the same responsibilities and risks as ordinary directors. According to the Company's "Regulations Governing Remuneration to and Performance Evaluation on Directors and Functional Committee Members," the remuneration is divided into fixed amounts and the amount allocated according to the Articles of Association is distributed subject to the degree of contribution. The part allocated according to degree of contribution is calculated based on the ratio of the number of board attendances by the independent director to the number of attendances by all independent directors.
2. In addition to the disclosure above, in the most recent year, the directors of the company have received remuneration for providing services to all companies in the financial report (for example, as a consultant who is not an employee): None.
3. Proposed employee compensation amount.

Note 1: Released from the position after reassignment on April 1, 2025.
Note 2: Assumed the position after reassignment on April 1, 2025.
Note 3: Released from the position due to decease on January 22, 2025.
Note 4: Released from the position after reassignment on February 17, 2025.

Breakdown of Remuneration

Breakdown of remuneration paid to directors of the Company	Name of Director			
	A+B+C+D		A+B+C+D+E+F+G	
	The Company	Companies included into the financial statement H	The Company	Companies included into the financial statement I
Less than NT$1,000,000	Wen-Chieh Ho, Chang-Tze Huang, Aica Kogyo Company Limited, Omura Nobuyuki, Nishino Go, Hisano Norikazu, Mori Yosuke, Yue Dean Technology Corporation, Chi-Chih Huang, Yu-Chi Lee, Wan-Yu Chen	Wen-Chieh Ho, Chang-Tze Huang, Aica Kogyo Company Limited, Omura Nobuyuki, Nishino Go, Hisano Norikazu, Mori Yosuke, Yue Dean Technology Corporation, Chi-Chih Huang, Yu-Chi Lee, Wan-Yu Chen	Aica Kogyo Company Limited, Omura Nobuyuki, Nishino Go, Hisano Norikazu, Mori Yosuke, Yue Dean Technology Corporation, Chi-Chih Huang, Yu-Chi Lee, Wan-Yu Chen	Aica Kogyo Company Limited, Omura Nobuyuki, Nishino Go, Hisano Norikazu, Mori Yosuke, Yue Dean Technology Corporation, Chi-Chih Huang, Yu-Chi Lee, Wan-Yu Chen
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)	Higashiyama Mikio, I-Hsiu Su	Higashiyama Mikio, I-Hsiu Su	Higashiyama Mikio, I-Hsiu Su	Higashiyama Mikio, I-Hsiu Su
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)			Wen-Chieh Ho, Chang-Tze Huang	Wen-Chieh Ho, Chang-Tze Huang
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)				
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)				
NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)				
NT$15,000,000 (inclusive)~NT$30,000,000 (exclusive)				
NT$30,000,000 (inclusive)~NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive)~NT$100,000,000 (exclusive)				
More than 100,000,000				
Total	13	13	13	13

2. Remuneration to supervisors: N/A.

3. Remuneration to President and Vice Presidents

December 31, 2025 Unit: NT$

Job title	Name	Salary (A)		Pension upon retirement (B)		Bonuses, special expenses, and others (C)		Remuneration to employees (D)				Sum of A, B, C, and D as percentage of income after tax		Remuneration from investees other than subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash	Stock	Cash	Stock			
President	Chang-Tze Huang	3,726,960	3,726,960	0	0	1,190,837	1,190,837	202,486	0	202,486	0	6.5962% 5,120,283	6.5962% 5,120,283	0
Group Vice President	Ching-Song Lee													

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

2. Proposed employee compensation amount.

Breakdown of Remuneration

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

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

December 31, 2025 Unit: NT$

	Job title	Name	Amount of shares (proposed)	Cash amount (proposed)	Total	As percentage of income after tax (%)
Managerial officers	President	Chang-Tze Huang	0	465,608	465,608	0.5998%
	Group Vice President	Ching-Song Lee				
	Assistant	Shih-Chieh Wang				
	Financial	Pao-Hua Wu				
	Manager	Ming-Yu Ho				
	Accounting	Hsiang-Li Chen				

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

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

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

Item / Job title	2025		2024	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director	13.40%	13.40%	12.15%	12.16%
Supervisor	N/A.	N/A.	N/A.	N/A.
President and Vice President	6.60%	6.60%	6.03%	6.03%

B. The Company's remuneration to directors for the latest two years consists of fixed amount and remuneration to directors equivalent to 2% of the income before deduction of the remuneration. Analyzing by amounts, the amount for 2025 decreased from 2024, mainly due to the decrease of profit in 2025 from 2024 such that the directors' remuneration decreased. The percentage of 2025 remuneration to the income after tax in the parent company only or consolidated financial statements is higher than that for 2024, mainly due to the net profit before tax in 2025 lower than that in 2024.

C. The remuneration for the President and Vice Presidents in 2025 was lower than that in 2024. In addition to fixed salaries, the 2025 bonuses and employees' remuneration decreased from 2024 due to the lower profitability in 2025 compared to 2024. The proportion of their remuneration to net income after tax was higher in 2025 compared to 2024, mainly due to the pre-tax profit in 2025 was lower than that in 2024, leading to a relatively higher ratio.

(2) Policies, standards, and packages by which the compensation was paid, the procedures through which the compensation was determined, and its association with business performance and future risks:

A. The policies, standards, and packages by which the compensation was paid to directors/supervisors are decided in accordance with the Company's "Regulations Governing Remuneration to and Performance Evaluation on Directors and Functional Committee Members." For the time being, the compensation consists of monthly fixed transportation allowances, and the remuneration equivalent to 2% of the income before deduction of the remuneration according to the articles of incorporation. Where the director assumes the role of employee concurrently, the method by which remuneration to managers is evaluated shall apply separately. The directors' performance evaluation indicators consist of business, governance and financial results. The evaluation covers profitability, compliance with laws when exercising the Board of Directors' powers loyally, provision of fine-quality decision making suggestions and participation in the Board of Directors. Relevant performance evaluation and reasonableness of remuneration have been reviewed and approved by Remuneration Committee and Board of Directors.

B. The salaries of President and Vice President are governed by the Company's Regulations Governing Salary Management, consisting of fixed and variable amount. The variable amount refers to the bonus allocated subject to the annual business results and the remuneration equivalent to 5% of the income before deduction of the remuneration according to the articles of incorporation. The variable salary is paid according to the Regulations Governing Salary Management. The performance evaluation covers achievement of annual budget, department performance and personal performance, work skill performance, operations management and strategic development. The variable salary and remuneration shall be reported to the Board of Directors for approval upon review by the Remuneration Committee.

III. Status of corporate governance

(I) Operations of Board of Directors

1. Information on the operation of the Board of Directors

The Board held 6 (A) meetings in 2025. The attendance of directors is summarized as follows:

Job title	Name	Count of actual presence (in attendance) (B)	Count of presence by proxy	Actual presence (in attendance) rate (%) 【B/A】	Remark
Chairman	Wen-Chieh Ho	6	0	100%	Re-elected on June 27, 2024
Director	Chang-Tze Huang	6	0	100%	Re-elected on June 27, 2024
Corporate director (Representative of Aica Kogyo Company Limited)	Omura Nobuyuki	6	0	100%	Re-elected on June 27, 2024
Corporate director (Representative of Aica Kogyo Company Limited)	Mori Yosuke	6	0	100%	Re-elected on June 27, 2024
Corporate director (Representative of Aica Kogyo Company Limited)	Nishino Go	2	0	100%	Released from the position due to reassignment on 2025/04/01
Corporate director (Representative of Aica Kogyo Company Limited)	Hisano Norikazu	4	0	100%	Assumed the position due to reassignment on 2025/04/01
Corporate director (Representative of Yue Dean Technology Corporation)	Chi-Chih Hung	0	0	0%	Released from the position due to decease on 2025/01/22
Corporate director (Representative of Yue Dean Technology Corporation)	Yu-Chi Lee	5	0	100%	Assumed the position due to reassignment on 2025/02/17
Independent Director	Higashiyama Mikio	6	0	100%	Re-elected on June 27, 2024
Independent director	Wan-Yu Chen	6	0	100%	Elected on June 27, 2024
Independent director	I-Hsiu Su	6	0	100%	Elected on June 27, 2024

Other items to be stated:

I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent

directors and the Company's resolution of said opinions:

1. The circumstances referred to in Article 14-3 of the Securities and Exchange Act:
   The Company has established the Audit Committee, and thus Article 14-3 of the Securities and Exchange Act is not applicable. Regarding the operation of the Audit Committee in accordance with Article 14-5 of the Securities and Exchange Act, please refer to other matters required to be recorded in the Operation of the Audit Committee.

2. Any documented objections or qualified opinions raised by independent director against the Board's resolutions in relation to matters other than those described above: None.

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

1. If topics of a Board of Directors meeting involves proposals in which directors have an interest, such directors with associated interests should recuse themselves from discussion of the proposal.
   On January 23, 2025, the Company's Board of Directors discussed the periodic review of the performance evaluation standard, annual and long-term performance goals and remuneration policy, system, standard and structure for the Company's directors and managerial officers.
   On January 23, 2025, the Company's Board of Directors discussed the Company's 2024 distribution of year-end bonus to managerial officers.
   On August 8, 2025, the Company's Board of Directors discussed the 2024 distribution of remuneration of directors.
   On August 8, 2025, the Company's Board of Directors discussed the 2024 distribution of employees' remuneration to managerial officers.

2. No discussion about specific remuneration to individual stakeholders was done at said meetings; therefore, no individual stakeholder needed to recuse himself/herself.

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

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

Evaluation cycle	Assessment period	Dated proposed to Board of Directors	Assessment scope	Evaluation method	Evaluation content
Implemented once in three years	2024.1.1~ 2024.12.31	2025.1.23	the Board	The Company has commissioned an external performance evaluation unit (Taiwan Investor Relations Institute) to conduct the evaluation.	1. Composition and Professional Development of the Board of Directors; 2. Quality of the Board of Directors' decision making; 3. Effectiveness of board operations; 4. Internal control and risk management; 5. Degree of board participation in corporate social responsibility.
Implemented once per year	2025.1.1~ 2025.12.31	2026.3.10	the Board	All directors - Board of Directors Performance Self-Assessment Questionnaire	1. Degree of participation in the Company's operation; 2. Quality of the Board of Directors' decision making; 3. Composition and structure of the Board of Directors; 4. Election and continuing education of directors; 5. Internal control.
Implemented once per year	2025.1.1~ 2025.12.31	2026.3.10	Individual directors	Board members - Board Members Performance (Self or Peer)	1. Alignment with the Company's goals and mission; 2. Awareness toward directors'

				Assessment Questionnaire	responsibilities and duties; 3. Degree of participation in the Company's operation; 4. Management of internal relations and communication; 5. Expertise and continuing education of directors; 6. Internal control.
Implemented once per year	2025.1.1~ 2025.12.31	2026.3.10	Remuneration Committee	Member - Functional Committee Performance Self-Assessment Questionnaire	1. Degree of participation in the Company's operation; 2. Awareness toward functional committees' responsibilities and duties; 3. Upgrading the quality of functional committees' decision making; 4. Composition of functional committees and election of the committee members; 5. Internal control.
Implemented once per year	2025.1.1~ 2025.12.31	2026.3.10	Audit Committee	Member - Functional Committee Performance Self-Assessment Questionnaire	1. Degree of participation in the Company's operation; 2. Awareness toward functional committees' responsibilities and duties; 3. Upgrading the quality of functional committees' decision making; 4. Composition of functional committees and election of the committee members; 5. Internal control.

2. Assessment Outcome:

(1) External evaluation:

A. Execution Date: The evaluation period was from January 1 to December 31, 2024; an external professional organization conducted interviews on December 24, 2024, and issued the evaluation report on January 6, 2025; the Company submitted the report to the Board of Directors on January 23, 2025.

B. Name of external professional organization: Taiwan Investor Relations Institute. The Taiwan Investor Relations Association is a non-profit organization composed of professional investor relations managers from listed and OTC companies in Taiwan. It is dedicated to advancing investor relations practices in Taiwan and strengthening alignment with domestic and international capital markets to enhance corporate value and support business growth. The evaluation committee for this assessment consisted of the association's Chairman Tsung-Lin Kuo, Board Director Chen-Ching Chang, and Shih-Hao Wang, Partner at Chien Yeh Law Offices.

C. Independence: The Company confirms that there are no circumstances affecting the independence of the institution and the evaluation committee members, and the committee members have provided signed declarations of independence.

D. Evaluation Method: The evaluation process included document submission by the Company, a self-assessment questionnaire, and on-site interviews conducted by the external professional institution. The Company provided the questionnaire and relevant materials on December 9, 2024, and the Association conducted an online interview on December 24, 2024.

E. Evaluation standards (item and content)

a. Composition and Professional Development of the Board of Directors:
Including board structure, board diversity, director training status, and director development plans.
b. Quality of the Board of Directors' decision making:
Including the completeness and timeliness of information required for board decisions, the level of directors' participation in meetings, and the frequency and time allocation of board meetings.
c. Effectiveness of board operations:
Including internal relationship management and communication, the level of directors' participation in and understanding of company operations, and the communication between the board and the auditors.

4. Internal control and risk management:
Including the board's management of operational risks, the formulation and implementation of internal company regulations, supervision of the effectiveness of the company's internal control systems, and the accessibility of internal and external whistleblowing channels.
5. Degree of board participation in corporate social responsibility:
Including the board's level of attention to ESG, the company's communication channels with external shareholders or stakeholders, the company's participation and investment in ESG initiatives, and the implementation of governance mechanisms.

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

Improvement Suggestion 1: Plan ahead to ensure that female board members account for one-third of the board seats.
Future Improvement Plan or Action: Communicate the direction of gender diversity in board composition through appropriate channels; during board member re-elections, encourage nominators to increase the number of female board candidates.

Improvement Suggestion 2: It is recommended that a single corporate entity and its subsidiaries hold less than one-third of the board seats.
Future Improvement Plan or Action: Strengthen communication with major shareholders to reduce the number of representative seats when nominating board candidates.

Improvement Suggestion 3: Disclose the policy linking senior management compensation with ESG-related performance evaluations.
Future Improvement Plan or Action: The Human Resources Department will refer to the Sustainability Policy developed by the Sustainability Center to formulate a policy linking senior management compensation with ESG-related performance evaluations. This policy will be submitted to the Sustainability

Committee and the Board of Directors for discussion and subsequently disclosed on the company's website, annual report, or sustainability report.

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

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

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

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

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

A. In 2025, self-evaluations were conducted for the overall Board of Directors, individual board members, and functional committees. All board members completed the "Board Performance Self-Assessment Questionnaire" and the "Board Member (Self or Peer) Assessment Questionnaire," while members of the functional committees completed the "Functional Committee Performance Self-Assessment Questionnaire" as part of the internal performance evaluation process. The results of the evaluation were reported to the Board of Directors on March 10, 2026.

B. Internal self-evaluation results of the Board of Directors for 2025: (Very Poor, Poor, Fair, Good, Excellent)

(1) Summarization of the Board of Directors performance self-assessment results: Good.
(2) Summarization of the Board members performance self-assessment results: Good.
(3) Summarization of the Remuneration Committee members performance self-assessment results: Good.
(4) Summarization of the Audit Committee members performance self-assessment results: Good.

C. Score differences:

1. Self-evaluation results of the Board of Directors' performance evaluation: The overall average score increased slightly from the previous year.
Indicators with larger or lower score changes:
(1) For Item No. 13 "The Board of Directors has established the Company's core values (discipline, mission, honor, and vision, etc.) and is able to clearly define the Company's strategic objectives," the evaluation score was higher than the score of last year.

2. Self-evaluation of Board members: The overall average score was equivalent to that of the previous year.
Indicators with larger or lower score changes:
(1) For Item 5 "New directors' understanding of their responsibilities and familiarity with the Company's operations and environment, the evaluation score was higher than the score of

last year.

3. Self-evaluation results of the performance evaluation of the Remuneration Committee and Audit Committee: The overall average score improved from previous year.
   Indicators with larger or lower score changes:
   (1) For Item 5 “The scope of responsibilities and authorities of the functional committees are clear and appropriate”, the evaluation score was higher than the score of last year.
   (2) For Item 7 “The functional committees are able to provide timely and professional recommendations to the Board of Directors for discussion and reference”, the evaluation score was higher than the score of last year.
   (3) For Item 18 "Each functional committee has regular and efficient performance evaluations”, the evaluation score was higher than the score of last year.

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

IV. An evaluation of targets for strengthening of the functions of the Board during the current and the most recent years, and measures taken toward achievement thereof:
1. The Company established its own “Regulations Governing Procedure for Board of Directors Meetings” in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies.” Meanwhile, the Company operates its Board of Directors in accordance with related laws and the competent authority’s written interpretation, to keep the Board of Directors operate in line with the corporate governance regulations and the target for effective supervision of the Company’s operations.
2. In order to well found the Company’s corporate governance and strengthen the functions of the Board, two independent directors were assigned to participate in the operations of the Board. In 2025, the independent directors were present at each of the Board meetings in person to participate in the decision making about the Company’s finance, business and important business plan.
3. The Company had the Board of Directors approve the appointment of the chief corporate governance officer on June 29, 2021, in order to help the Board of Directors perform its job duties and improve the Board of Directors’ performance.
4. The Company established the Sustainable Development Committee and the Risk Management Committee in November 2024 to strengthen the Company's risk management and implement the sustainable development policy.

V. The succession plan and the board members and key management personnel, and operation status thereof:
1. Board members:
   (1) The Company's Articles of Incorporation expressly specify that the candidate nomination system is adopted for the election of directors, and clearly stipulates in the "Corporate Governance Best Practice Principles" that the composition of the Board of Directors shall take diversity into consideration. The diversity guidelines are formulated regarding the Company’s operating structures, business development directions, future development trends, including but not limited to aspects of the basic requirements and values, professional knowledge and skills, and the ability to execute the business, as the criteria for the director successors.
   (2) The Company has also established the "Regulations Governing the Remuneration and Performance Evaluation of Directors and Functional Committee Members." The measurement items under the performance evaluation include the control of the Company's goals and tasks,

awareness of responsibilities, participation in operations, management of internal relations and communication, professional functions and continuing education, internal control, and expression of specific opinions, among other things, to confirm the effectiveness of the Board of Directors' operation, and evaluate the performance of the directors, as a reference for the succession of directors.

(3) The Company not only collects director candidates who meet the Company's diversity policy qualifications through its network, but also searches for suitable director candidates through the independent director talent database.

(4) The Company follows the aforementioned director succession plan, for each re-election of directors, the Company selects the candidates compliant with the Company's core values, with the professional knowledge and skills beneficial to the Company's operation and management, and are compatible with the Company's and relevant industry experience. It is expected that the addition of such member will form an effective, complementary and diverse board of directors meeting the Company's needs for the Company.

(5) The selection process of the Company's director candidate list complies with the qualification review and related regulations, to ensure that suitable new directors can be effectively identified and elected for re-election, vacancies or plans to increase directors.

2. Key management:

(1) The Company establishes an organizational chart based on operational objectives and submits it to the Board for approval, and appoints deputies in accordance with the "Regulations Governing Deputy Management." The key positions are passed on through the deputy mechanism to ensure the normal operation of the organization.

(2) Arrange orientation, legal, core function, professional, ISO and management trainings by accommodating operational goals and manpower requirements derived from business development in accordance with education and training management procedures, to improve knowledge, attitude and skills of employees required for work; The quality of manpower is enhanced to ensure production efficiency and work quality, improve corporate profitability and brand image, and increase the Company's competitiveness.

(3) In accordance with the systematic training system, the Company enhances the effectiveness of the training system, and improves the quality of manpower, in order to enhance the competitiveness of the Company. In 2025, the total training hours reached 3,375 hours, and each employee received an average of 17.44 hours of training.

2. Chief corporate governance officer:

(1) Date of establishment:

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

(2) Job authority:

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

(3) Information about the chief corporate governance officer:

Name	Gender	Date of job assumption	Concurrent job
Pao-Hua Wu	Male	2021/06/29	Served by the Financial Manager concurrently

(4) Continuing education status in 2025:

The chief corporate governance officer was appointed for the first time in June 2021. According to the relevant requirements, he shall attend the continuing education courses for 12 every year. His continuing education status in 2025 is specified as following:

Organizer	Name of Course	Course Hours
Taiwan Stock Exchange, BCSD Taiwan	CDP for IFRS S2 Issue Analysis and Training Course_ Enhancement of Climate Information Disclosure for Improved Corporate Climate Resilience	6
Securities & Futures Institute	2025 Insider trading prevention educational seminar	3
Securities & Futures Institute	2025 insider equity trading legal compliance information seminar	3

(II) Operation of the Audit Committee

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

Information on Audit Committee Implementation Status

The Audit Committee held 5 (A) meetings in 2025. The attendance of independent directors and the operation are summarized as follows:

Job title	Name	Count of actual presence (B)	Count of presence by proxy	Actual in presence rate (%) [B/A]	Remark
Independent director	Higashiyama Mikio	5	0	100%	Re-elected on June 27, 2024
Independent director	Wan-Yu Chen	5	0	100%	Elected on June 27, 2024
Independent director	I-Hsiu Su	5	0	100%	Elected on June 27, 2024

Other items to be stated:

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

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

Date of Audit Committee Meeting	Term	Contents of Motion	Independent Directors' Dissenting Opinions, Qualified	Audit Committee Meeting Resolution	How the Company Has Responded to the Audit Committee's

			Opinions or Important Suggestions		opinions
2025/01/23	2nd Term 4th Meeting	1. Amendments to the "Computerized Information System Cycles". 2. Amendments to the "Purchase and Payment Cycle" and its internal audit implementation rules	None.	No objection. Passed unanimously.	N/A.
2025/03/10	2nd Term 5th Meeting	1. Review of 2024 parent company only financial statements and consolidated financial statements 2. Endorsement/guarantee for POU CHIEN CHEMICAL CO., LTD. 3. Loaning of fund to TOP WELL ELASTIC TECHNOLOGY CO.,LTD.. 4. Assessment on independence and competence of the attesting CPAs and their appointments and remunerations	None.	No objection. Passed unanimously.	N/A.
2025/08/07	2nd Term 7th Meeting	1. Review of 2025 Q2 consolidated financial statements. 2. Application for forward exchange transaction limit with Mega International Commercial Bank Co., Ltd. 3. Applied for forward exchange agreement with Mitsubishi UFJ Financial Group, Inc.	None.	No objection. Passed unanimously.	N/A.
2025/11/11	2nd Term 8th Meeting	1. Endorsement/guarantee for TOP WELL ELASTIC TECHNOLOGY CO., LTD. 2. Establishment and amendment to the "Employee Salary Cycle" and its internal audit implementation rules 3. Amendments to some provisions of the "Procedure for Acquisition or Disposal of Assets."	None.	No objection. Passed unanimously.	N/A.

2. Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

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

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

The Company's Audit Committee, consisting of the whole independent directors, shall convene at least one meeting per quarter, and may convene the meeting at any time, if necessary. The independent directors may communicate with the CPAs and internal auditors face to face. In addition to the Audit Committee, the independent directors may also convene the communication meeting with the CPAs separately each year, if necessary. Besides the meeting, the independent directors may also

keep in touch and interact with the CPAs and internal auditors via phone or email on weekdays.

1. Communication between the chief internal auditor and Audit Committee:
   (1) The audit report prepared per the audit plan on a monthly basis is submitted to each independent via email or in person for review by the end of next month, and also reported at the Audit Committee meeting. The independent directors who have any question may communicate with the chief internal auditor in person or via phone or email.
   (2) Report the internal audit operations to Audit Committee periodically on a quarterly basis.
   (3) Communicate and respond from time to time via phone or email or in person.
   (4) Any special case shall be reported to the Audit Committee members immediately.
   (5) The communication matters between the independent directors and chief internal auditor in 2025 are stated as following:

Date	Method	Counterpart	Communication matters	Outcome
At the end of each month and Board of Directors	Reported via email, phone, or verbally	All directors (Independent director included)	Monthly audit report	The independent directors raise questions about the audit report. Then, the chief internal auditor shall respond to the questions, so that the independent directors may have full knowledge of the situation.
2025/01/23	Attend audit committee meetings and provide supplementary explanations as needed.	All independent directors	Amendments to the "Purchase and Payment Cycle" and its internal audit implementation rules	The chief auditor provided an explanation. After thorough understanding by the independent directors and discussion by the audit committee with no objections, the proposal was approved as is and submitted to the board of directors for resolution.
2025/03/10	Attend audit committee meetings and provide supplementary explanations as needed.	All independent directors	Issuance of the Company's 2024 Statement of Declaration on Internal Control System.	The independent directors fully understood the content, and after discussion by the Audit Committee with no objections, the proposal was approved as is and submitted to the Board of Directors for resolution.
2025/05/20	Attend audit committee meetings and provide supplementary explanations as needed.	All independent directors	Supplementary information to the internal audit report.	The independent directors fully understood the content, and after discussion by the Audit Committee with no objections, the proposal was approved as is and submitted to the Board of Directors for resolution.
2025/08/07	Attend audit committee meetings and provide supplementary explanations as needed.	All independent directors	Supplementary information to the internal audit report.	The independent directors fully understood the content, and after discussion by the Audit Committee with no objections, the proposal was approved as is and submitted to the Board of Directors for resolution.
2025/11/11	Attend audit committee meetings and provide supplementary explanations as needed.	All independent directors	1.2026 internal audit plan 2. Establishment and amendment to the "Employee Salary Cycle" and its internal audit implementation rules 3. Explanation of key audit matters	The independent directors fully understood the content, and after discussion by the Audit Committee with no objections, the proposal was approved as is and submitted to the Board of Directors for resolution.

2. Communication between the CPA and Audit Committee:
   (1) The Company's external auditors shall convene the communication meeting independently with the Audit Committee at least once per year, and provide explanation and communicate with the Audit Committee sufficiently in order to deal with the communication matters required by related

laws. The attendees at the meeting exclude the ordinary directors and management. The CPAs and Audit Committee have held the individual communication meeting in March 2025.

(2) The Audit Committee shall convene a meeting to discuss the external auditors' audit on the current financial statements and audit results in the individual communication meetings, and shall discuss and communicate the audit results, major issues and key audit matters at the meeting thoroughly.

(3) Discussion via multiple communication channels (e.g. phone, email or in person) is advised. If there is any major opinion to be exchanged, a meeting may be arranged subject to the circumstances.

(4) The communication matters between the independent directors and external auditors in 2025 are stated as following:

Date	Method	Counterpart	Communication matters	Outcome
2025/03/10 (Individual communication meeting)	Physical meeting	All independent directors and the team of CPAs	The CPAs explained the 2024 financial statements audit results, key audit matters, explanations of important issues, reminder of the update on important laws and regulations and explanation of the audit quality indicators.	The independent directors fully understand the relevant content.
2025/03/10 (Audit Committee)	Physical meeting	All independent directors, CPA, accounting manager, and the Company's management	The accounting officer explained the results of the audit of the financial statements for the year ended December 31, 2024, and the staff from the accounting firm participated.	The independent directors approved the Company's 2024 financial statements upon the full understanding, and submitted such to the Board of Directors for a resolution.
2025/11/11 (Audit Committee)	Physical meeting	All independent directors, CPA, accounting manager, and the Company's management	The accounting officer explained the results of the audit of the 2025 Q3 financial statements, and the staff from the accounting firm participated.	The independent directors approved the Company's 2025 Q3 financial statements upon the full understanding, and submitted such to the Board of Directors for a resolution.

IV. Annual work focus of the Audit Committee:

1. Adoption of or amendments to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluation on the validity of the internal control system.
3. According to Article 36-1 of the Securities and Exchange Act, stipulating or amending the handling procedures of major financial business activities of acquiring or disposing of assets, derivative commodity transactions, loaning of funds to others, and endorsing or providing guarantees for others.
4. A matter bearing on the personal interest of a director.
5. A material asset or derivatives transaction.

6. A material monetary loan, endorsement, or provision of guarantee.
7. Raising, issuing, or private placement of equity-type securities.
8. Appointment or dismissal of the external auditor, or remuneration to the external auditor.
9. Appointment and removal of the head of finance, accounting or internal audit.
10. Annual financial report signed or sealed by the Chairman, general manager and accounting manager.
11. Other material matters required by the Company or the competent authority.

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

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

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

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

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

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			promotion of ethical corporate management, material information handling procedures, and prohibition of insider trading, please refer to the descriptions in Item VI under the "Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons."	
III. Composition and duties of Board of Directors				
(I) Does the Board of Directors have a diversity policy and management goals, and implement the same precisely?	V		(I) The composition of the Board of Directors shall be handled and implemented in accordance with the Company's Articles of Incorporation, as detailed in the description of information on directors on page 4 and page 9 of the annual report.	(I) No deviation.
(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	V		(II) In addition to establishing the Compensation Committee and Audit Committee in accordance with the law, the Company established the Risk Management Committee and the Sustainability Development Committee in November 2024.	(II) No deviation.
(III) Does the Company formulate the Board's performance evaluation method and evaluation method, conduct performance evaluation annually and regularly, and report the results of the performance evaluation to the board of directors, and apply it to individual directors' remuneration and nomination renewal?	V		(III) The company has completed the Company's "Board self-evaluation or peer evaluation method" on November 13, 2019. Performance evaluations are conducted before the end of the first quarter each year, and the results are submitted to the Board of Directors for review. These results also serve as references for determining individual directors' compensation and re-nomination. The self-evaluation results for 2025 were reported to the Board on March	(III) No deviation.

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			10, 2026. Additionally, the Company commissioned an external independent organization, the Taiwan Investor Relations Institute, to conduct the 2024 Board performance evaluation, and the evaluation report was presented to the Board on January 23, 2025.	
(IV) Does the Company assess the independence of the CPAs periodically?	V		(IV) Assess the independence and competence of external auditors in accordance with the Company's "Regulations Governing Assessment on Independence and Competence of External Auditors" and CPA Audit Quality Indicators AQIs) annually. The 2025 assessment result on the independence and suitability of attesting CPAs was deliberated by the Audit Committee, and reported to the Board of Directors on March 11, 2025. Please refer to the "Information about External Auditor's Professional Fee" for the evaluation report.	(IV) No deviation.
IV. Does the TWSE / TPEx Listed Company is equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the board of directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	V		The Company's Financial Dept., Administration Division serves as the corporate governance unit concurrently. The Administration Division head is appointed by the Board of Directors to serve as the Chief Corporate Governance Officer, who shall perform the job duties, including but not limited to, providing directors with the information needed to perform their duties, helping directors comply with laws, convening shareholders' meetings, board meetings and committee meetings under laws, and helping promote and strengthen the corporate governance. The Chief Corporate Governance Officer has attended the continuing education courses for 12 hours in 2025.	No deviation.

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

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

Scope of Assessment	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			Training hours in 2025: A total of 72 hours of training for directors. 4. Implementation of risk management policies and risk measurements, and implementation of customer policy: Strict implementation of the same pursuant to the Company's internal control system may mitigate the risk effectively. 5. The situation where the Company purchases liability insurance for directors: Liability insurance has been purchased for directors and important staff.	
IX. Specify the status of correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies: (I) Notes to the result of the 12th Term of Corporate Governance Evaluation: The Company will check the operations which fail to satisfy the evaluation standards upon announcement of the evaluation result to correct the deficiencies successively. For the time being, most of the deficiencies result from the disclosed contents and details that fail to satisfy the evaluation requirements. The Company will continue to disclose more specific contents additionally. (II) Propose enhancement measures for any issues that are yet to be rectified: To improve the items which didn't win any scores one by one subject to the level of difficulty.				

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

1. Information about Remuneration Committee members

Position	Qualifications / Name	Professional Qualifications and Experience	Independence	Number of positions as a Remuneration Committee member in other public listed companies	Remarks
Independent Director (Convener)	I-Hsiu Su	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	None	Appointed (new elected) on June 27, 2024
Independent director	Higashiyama Mikio	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	None	Appointed (re-elected) on June 27, 2024
Independent director	Wan-Yu Chen	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	Please refer to Table "I. Disclosure of information about directors' and supervisors' professional qualifications and independent directors' independence" on Page10.	1	Appointed (new elected) on June 27, 2024

2. Operations of Remuneration Committee

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

(2) Term of office: From June 27, 2024 to June 26, 2027; the Committee has held 3 (A) meetings during the most recent year, and the Committee members' qualification and attendance are summarized as follows:

Job title	Name	Count of actual presence (B)	Count of presence by proxy	Actual presence ratio (%) (B/A)	Remarks
Convener	I-Hsiu Su	3	0	100	New elected on June 27, 2024
Member	Wan-Yu Chen	3	0	100	New elected on June 27, 2024
Member	Higashiyama Mikio	3	0	100	Re-elected on June 27, 2024

Other items to be stated:

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

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

(3) Discussions and resolutions of the Remuneration Committee in 2025:

Remuneration Committee Meeting Convention Date	Term	Proposal content	Resolution result	The Company's handling of the opinions of the Remuneration Committee
2025/01/23	The 3rd meeting of the 6th term	1. Discussion on the evaluation standards of the directors' and managerial officers' performance, the annual and long-term performance goals and remuneration policy, system, standard and structure 2. Proposal for distribution of 2024 year-end bonus to managerial officers.	Passed unanimously. Passed unanimously.	1. Unanimously approved by all attending committee members and submitted to the Board of Directors for resolution. 2. Unanimously approved by all attending committee members and submitted to the Board of Directors for resolution.
2025/03/10	The 4th meeting of the 6th term	2. Proposal for distribution of 2024 remuneration of employees and directors of the Company.	Passed unanimously.	Unanimously approved by all attending committee members and submitted to the Board of Directors for resolution.
2025/08/07	The 5th meeting of the 6th term	1. Proposal for distribution of 2024 remuneration of directors. 2. Proposal for distribution of 2024 employee remuneration to managerial officers.	Passed unanimously.	1. Unanimously approved by all attending committee members and submitted to the Board of Directors for resolution. 2. Unanimously approved by all attending committee members and submitted to the Board of Directors for resolution.

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

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

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company implement a governance framework that supports sustainable development, and designate a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the Board of Directors and run by senior management, and how does the Board supervise progress?	V		1. Governance structure for promotion of sustainable development: Please refer to the "Sustainable Development" page on the Company website for the sustainable development governance organizational structure. 2. Implementation of sustainable development unit: (1) The name of the unit that specializes (or is involved) in the promotion of sustainable development, when to set up the unit and authorization by the Board of Directors: The Company established a functional Corporate Social Responsibility (CSR) Committee in 2015 to oversee sustainability-related operations. In 2022, it was renamed the Sustainability Center to reflect its broader scope. On November 12, 2024, the Board of Directors approved the establishment of the Sustainability Development Committee and the Risk Management Committee to supervise the operations of the Sustainability Center, oversee information disclosure, and review the sustainability report. (2) Composition and operations of the unit members, and execution status: The Company’s Sustainability Center has established several functional teams, and team members are formed by relevant department heads to serve as the cross-departmental communication platform vertically integrating and horizontally linking resources effectively, and includes the corporate social responsibility into the Company’s business strategies, functions based on the “P-D-C-A” (Plan-Do-Check-	No deviation. The Company will continue to promote the sustainable development-related business, and also enhance the frequency of communication with the Board of Directors.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			Act) management model with respect to the risk assessment and project management on the ESG issues, and strictly complies with various laws and regulations to perform the social responsibility. In 2025, the Sustainability Center convened 2 physical meetings and provided 4 written reports. (3) Frequency of reporting to the Board of Directors by the promotion unit: The Sustainability Center has reported relevant operations to the Board of Directors quarterly. In 2025, the reports were made four times in total, and the most recent report was made on November 11, 2025. 3. How does the Board supervise the sustainable development progress: The management need to propose the Company's management policy, strategies and goals and review policies to the Board of Directors. The Board of Directors has to judge the possibility about the success of these strategies and also review the progress of the strategies, and shall urge the management team to make adjustment if necessary.	
II. Does the Company conduct the risk assessment on the environment, society and corporate governance issue concerning the Company's operations in accordance with the materiality principle, and adopt related risk management policies or strategies? (Note 1)	V		1. Boundary of risk assessment: The boundary of risk assessment refers to the Company primarily for the disclosure of the year. 2. Risk assessment standards, process, results and risk management policies or strategies about identification of material ESG issues: The Sustainability Center proceeds with the analysis based on the materiality principle on the sustainability report, and also communicate with internal and external stakeholders, and check domestic and foreign research report, literature and integrate various department's evaluation information to assess the ESG issues of materiality, sets forth the management policy which may identify, measure, supervise and control risks	No deviation.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Status</th><th rowspan="2">Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>effectively and adopts specific action programs to mitigate the effects posed by related risks. For the procedures to identify the material issues, related risk management policy or strategies, please refer to the sustainability report.</td><td></td></tr>
<tr><td>III. Environmental issues
(I) Does the company establish an appropriate environmental management system according to its industry characteristics?</td><td>V</td><td></td><td>1. The Company passed the ISO 14001 international standard certification in 2000 to promote the environmental management system. In 2017, the Company further underwent ISO 14001:2015 revision certification. One time of internal and external audit is conducted annually to ensure the system’s effective operation. The internal audit in 2025 revealed no major deficiencies, and recommendations from the external audit unit have been addressed.
2. The latest certificate is valid from November 3, 2023, to November 2, 2026, and the verification covers all of the Company’s domestic plant sites.
3. “bluesign” is a certification for optimizing resource use and minimizing environmental impact. Evermore has already obtained bluesign® certification for some of the products, and more items are being added continuously. Please check the bluesign finder website for the latest information.</td><td>No deviation.</td></tr>
<tr><td>(II) Is the Company committed to improving the efficiency of the use of energy, and using recycled materials with low impact on environmental load?</td><td>V</td><td></td><td>1. The Company’s base year is 2022, and the total energy consumption reduction target is to reduce by the consumption by 1% in 2026 compared to the base year. The Company mainly uses purchased electricity, and promotes energy conservation in accordance with the Energy Act.
<table>
<tr><th></th><th>Base year 2022</th><th>2024</th><th>2025</th><th>Target year 2026 to base year</th></tr>
</table></td><td>No deviation.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Status</th><th rowspan="2">Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Total energy consumption GJ</td><td>98,406.891</td><td>103,974.663</td><td>104,361.866</td><td>-1%</td></tr>
<tr><td>Production volume T</td><td>20,966</td><td>22,142</td><td>20,214</td><td></td></tr>
</table>
* Verification of the annual sustainability data is still ongoing as of the publication date of this annual report.
According to the Energy Administration Act, major energy users were required to achieve an average annual electricity saving rate of at least 1% from 2015 to 2024. With the original regulation expiring at the end of 2024, the Ministry of Economic Affairs announced on January 2, 2025, that the new requirement for the period 2025 to 2028 will remain an average annual electricity saving rate of no less than 1%. The Company continues to implement energy-saving measures, calculating its savings rate in accordance with the methodology outlined in the “Energy Audit for Manufacturing Industries.” Externally purchased electricity was 0.75% in 2024 and 2.97% in 2025 (verification not yet completed as of the publication date of this annual report).

2. Research and develop green products, and use the PU shoe material made of CO2 carbon sources and biomass material, namely the renewable materials with low impact on the environmental load.</td><td></td></tr>
<tr><td>(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take related measures?</td><td>V</td><td></td><td>1. In response to climate change, the Sustainability Center has gradually conducted the inventories of energy consumption and carbon emissions, formulated relevant energy-saving and carbon-reduction measures, and further assessed the development of new products by using low emission materials or technologies, the potential current and future risks and opportunities of</td><td>No deviation.</td></tr>
</table>

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			climate change to the Company, and possible countermeasures. Please refer to the Sustainability Report. 2. In response to energy saving & carbon reduction and environmental protection, the Company worked with Experimental Forest Office of National Taiwan University in November 2009 to boost the "Enterprise Forestation Plan" and adopted the forestation land occupying an area of 1 hectare, in order to reduce damage to the ecological environment. Please refer to the Company's ESG report for details.	
(IV) Does the company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for GHG reduction, water management or other waste management?	V		1. The following is a summary of greenhouse gas emissions, water resource usage, and waste statistics over the past two years, covering all domestic facilities of the Company. * Verification of the annual sustainability data is still ongoing as of the publication date of this annual report. (1) Greenhouse gas emissions The Company has started to conduct greenhouse gas emissions inventories in 2021 and also promotes various energy-saving measures at the same time. However, due to incomplete annual data for the Taoyuan Dayuan Plant following its acquisition that year, the base year has been revised to 2022.The Company then gradually identifies significant energy-consuming processes or units and starts to track management actions and reduction plans. For details on greenhouse gas emissions and related metrics, please refer to Section 2, "Climate-related Information," and the relevant sections of the Sustainability Report. Greenhouse gas (GHG) reduction goal and action	No deviation.

<table>
<tr><th rowspan="2">Item</th><th colspan="2">Status</th><th rowspan="2">Summary</th><th rowspan="2">Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th></tr>
<tr><td></td><td></td><td></td><td>plan:
Chemical processes require heating to facilitate chemical reactions, and energy consumption varies with production volume. Consequently, carbon emissions are positively correlated with total output. The Company has set a target to reduce greenhouse gas emissions by 14% in 2026 compared to the base year.

The total production in 2025 was lower than that in 2024, and the reduction of GHG emissions was mainly due to a decrease in Category 3 of Scope 1 emissions.

<table><tr><th></th><th>Base year 2022</th><th>2024</th><th>2025</th><th>Target year 2026 to base year</th></tr><tr><td>Emissions tco2e</td><td>81,578.982</td><td>99,991.546</td><td>92,974.919</td><td>-14%</td></tr><tr><td>Production volume T</td><td>20,966</td><td>22,142</td><td>20,214</td><td></td></tr></table>● Scope: Scope 1, Scope 2, and Scope 3.For detailed emission data, please refer to Chapter 2. Climate-related Information - 9. Greenhouse Gas Inventory and Assurance Status.

Specific measures and achievements in 2025 are as follows:
A. Purchase of equipment:
Regarding green energy investment: Two solar panel installations were completed at the plant site in 2024, with actual power generation of 190,736 kWh in 2024, including wholesale electricity of 64,000 kWh. Actual power generation in 2025</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="2">Status</th><th rowspan="2">Summary</th><th rowspan="2">Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th></tr>
<tr><td></td><td></td><td></td><td>reached 328,644 kWh, including wholesale electricity of 92,000 kWh. Renewable energy certificates (T-REC) have been obtained for self-use.

B. Power monitoring:
The Company has adopted an electricity monitoring system to visualize power usage. The electricity monitoring system for the Nangang Plant was completed in 2024. The Company continues to monitor for abnormal power usage at the Nangang Plant and Dayuan Plant, and immediately verifies the location of any abnormalities and notifies responsible parties for improvement.

(2) Water resource reduction goal and action plan:
<table><tr><th></th><th>Base year 2022</th><th>2024</th><th>2025</th><th>Target year 2026 to base year</th></tr><tr><td>Water withdrawal (cubit meter)</td><td>39,764</td><td>43,382</td><td>42,060</td><td>-0.41%</td></tr><tr><td>Production volume T</td><td>20,966</td><td>22,142</td><td>20,214</td><td></td></tr></table>The Company has set a target to reduce water consumption by 0.41% compared to the base year of 2026. The reduction programs are divided into two categories of process water conservation and domestic water conservation.

A. Water saving in the process, the Company has been recycling water from process for many years, and will continue to work hard to</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="2">Status</th><th rowspan="2">Summary</th><th rowspan="2">Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th></tr>
<tr><td></td><td></td><td></td><td>optimize the process in the future. A total of 248.038 tons of water from process was recycled and reused in 2024, and 208.929 tons of water was recycled and reused in the production process in 2025.
B. Water saving for daily use, the Company continues to install water economizers on taps, reduces water output at low-frequency water areas, and collects rainwater for green plant irrigation.
The Company's water source is tap water, and the main usages include raw materials or solvents, cooling water for processes, water for process steam boiler, and domestic water.
After internal treatment, wastewater is discharged to the wastewater treatment plant in the industrial zone. Testings are conducted in accordance with the testing regulations. No violations of exceeding the discharge limit occurred in 2025.
Water consumption Unit: million liters
<table><tr><th>Year</th><th>2024</th><th>2025</th></tr><tr><td>Water withdrawal</td><td>43.382</td><td>42.060</td></tr><tr><td>Water discharged</td><td>12.860</td><td>13.680</td></tr><tr><td>Water consumption</td><td>30.522</td><td>28.380</td></tr><tr><td>Reuse of recycled water from processes</td><td>0.248</td><td>0.209</td></tr></table>
(3) Waste:
The Company has commissioned qualified vendors to clear and process waste. Waste is incinerated, thermally treated, buried, and recycled and reused based on its characteristics. The table below shows the total amount of waste disposed through outsourcing vendor and processed in-house.</td><td></td></tr>
</table>

Item	Status		Summary	Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		

Unit: MT

Classification	Waste Code	2025			
		Total output	Reuse	Wash and clean	Removal or in-house treatment
General industrial waste	Category D	977.63	0	27.637	949.96
	Category R	7.42	7.42	0	0
Hazardous industrial waste	C-0301	13.78	1.31	0	12.47
	B-0347	157.89	157.89	0	0
Total		1156.72			

Unit: MT

Classification	Waste Code	2024			
		Total output	Reuse	Wash and clean	Removal or in-house treatment
General industrial waste	Category D	839.57	0	35.01	804.56
	Category R	4.92	4.92	0	0
Hazardous industrial waste	C-0301	8.07	1.14	0	6.93
	B-0347	137.64	137.64	0	0
Total		990.20			

Waste management actions and reduction plans:
The Company aims to reduce the volume of outsourced industrial waste clearance by 1% from the baseline year by 2026. We have established source reduction, production waste reduction, classification, recycling, and reuse plans to manage waste output, and convened discussions on the new year's reduction targets at the end of each year.

	Base year 2022	2024	2025	Target year

<table>
<tr><th rowspan="2">Item</th><th colspan="2">Status</th><th rowspan="2">Summary</th><th rowspan="2">Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td></td><td></td><td></td><td>2026 to base year</td></tr>
<tr><td>Waste T</td><td>570.06</td><td>650.62</td><td>604.89</td><td>-1%</td></tr>
<tr><td>Production volume T</td><td>20,966</td><td>22,142</td><td>20,214</td><td></td></tr>
</table>
The concrete measures and results in 2025 are as follows:
(1) To ensure secure pallet packaging, the raw material supplier wraps products with PE film. The Company stores the removed PE film separately from general waste and provides to recycling operator for processing, reducing the volume and cost of business waste disposal. A total of 4.4 tons of waste was recycled in 2025.

2. For detailed information on greenhouse gas reduction, water conservation, waste reduction, and related management policies, please refer to the Company’s Sustainability Report.

3. The Company has not yet conducted third-party assurance of its greenhouse gas emissions.
The Company's 2025water consumption and waste removal volume information is still under verification as of the publication date of this annual report. The assurance report after verification will be disclosed in the 2025 ESG report.</td><td></td></tr>
<tr><td>IV. Social issues
(I) Has the Company established related management policies and procedures in accordance with applicable laws and the international human rights conventions?</td><td>V</td><td></td><td>The Company refers to the principles of The UN Global Compact as a reference for assessing possible human rights issues related to the operations, and develops relevant mitigation measures. The Company's employee work rules and management policies are formulated in</td><td>No deviation.</td></tr>
</table>

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			accordance with the Labor Standards Act and applicable laws and regulations, in order to ensure that the rights and obligations of both employers and employees comply with labor laws and regulations and respect internationally recognized basic labor human rights principles. Furthermore, overseas subsidiaries also provide employee insurance coverage in accordance with local social insurance regulations and establish trade unions as required by law. Relevant handling procedures: To identify key human rights issues, to recognize and to manage human rights risks associated with the Company's operations, and to ensure the protection of labor rights and working conditions, we assessed the human rights issues potentially faced by all employees and suppliers. Such process involves issue identification, confirmation of mitigation and remediation measures, and tracking implementation. The human rights issue assessment form following this identification process can be found in Table 1 of this chapter.	
(II) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees' compensations?	V		1. Employee benefit plans: The Company handles the employee remuneration, leave, allowances, cash gifts and subsidies, as well as the trust system of employee shareholding in accordance with labor-related laws and regulations. All of the employees' interests and rights are protected legally. Please refer to the labor relations under "Five. Operation Overview" in the Company's annual report and the sustainability report. 2. Workplace diversity and equality: In 2025, the number of female employees of the Company was 40 people, and number of female executives accounted for 18% of the total workforce.	No deviation.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			3. Business performance or results are appropriately reflected in employee remuneration policy, and implementation thereof: According to the Company's Regulations Governing Salary Management, the salary consists of fixed and variable amount. The variable amount refers to the bonus allocated subject to the annual business results and the remuneration equivalent to 5% of the income before deduction of the remuneration according to the Articles of Incorporation. The variable salary is paid according to the Salary Management Regulations. The performance evaluation covers achievement of annual budget, department performance and personal performance, work skill performance, operations management and strategic development.	
(III) Has the Company provided a safe and healthy work environment for employees, and education on occupational safety and health for employees at regular intervals?	V		1. The Company values the importance of employee health management. Annual general and special health examinations are provided, superior than the requirements of occupational safety and health regulations. New employees also undergo physical examinations in accordance with the "Regulations Governing Labor Health Protection," and are reimbursed for special physical examination fees upon employment. In addition, employees are categorized based on their health levels according to examination results. Designated personnel collaborate with plant medical staff to arrange health interviews and guidance, and continuously monitor abnormal findings, in order to maintain employee health. The employee health examination participation rate in 2025 was 91.35%. For the health classification and follow-up status, please refer to the Sustainability Report for details. The Company regularly monitors the operational environment and implements four major prevention programs of musculoskeletal disorders, abnormal	No deviation.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			workloads, workplace harassment, and maternal health protection in accordance with the Occupational Safety and Health Act. Additionally, the 6S team continuously inspects and improves the working environment. The Company has established occupational safety and health management units responsible for planning and promoting safety and health management and education and training. In addition to conducting fire drills semi-annually, production units implement them on a rotating shift basis, in order to enhance employee safety awareness. The Company cooperates with the Health Promotion Committee to promote health promotion activities and sports clubs have been established to encourage employees to develop exercise habits and to improve their physical and mental well-being. 2. The Company passed the OHSAS 18001 occupational safety and health management system certification in 2005; and updated the certification to ISO45001:2018 in 2020. One time of internal and external audit is performed annually to ensure the system's effective operation. The 2025 internal audit revealed no major deficiencies, and recommendations from the external audit unit have been addressed. The latest certificate is valid from November 3, 2023, to November 2, 2026, and the verification covers all of the Company's domestic plant sites. 3. The Company arranges related license courses for employees according to their job duties as required by laws and regulations. Furthermore, the internal of the Company also organizes periodic educational training on quality and safety. In case of a safety accident, reporting process is initiated immediately, and care to	

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			employees' recovery status is provided along with appropriate compensation. There were 4 occupational safety incidents in 2025, of which 2 resulted in injuries of 2 employees, accounting for 0.95% of the total number of employees. The preventive and corrective measures were completed and closed according to procedure and were explained to all employees at the monthly employee meeting. 4. The Company has established relevant fire prevention systems and equipment, regularly maintained fire alarm facilities and conducted fire drills, to ensure the Company's personnel and property not to sustain losses due to fire. There was no fire incident in 2025, and no fire-related casualty or injury was reported.	
(IV) Has the Company established a plan for the training of effective career development and planning of employees?	V		The Company has established the Education and Training Management Procedure and, in accordance with the procedure, annual education and training plan is established for all employees. This plan includes new employee orientation, regulatory requirement training, professional training, competency training, and management training, in order to improve the quality of our workforce and enhance employee knowledge and abilities. In 2025, 1,375 employees received training, the total number of training hours was 3,663 hours, at the training cost was NT$ 335,000.	No deviation.
(V) Regarding the issues, such as customer health and safety, customer privacy, marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and formulates relevant consumer protection or customer interest policies and appeal	V		The Company complies with relevant laws and regulations and international standards regarding customers' health and safety of products and services, customer privacy, marketing, and labeling. A stakeholder section is set up on the Company's website to provide contact information for feedback and complaints (please refer to the Company's Sustainability Report). Product packaging is classified and labeled correctly according to the United Nations Globally Harmonized	No deviation.

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
procedures?			System of Classification and Labeling of Chemicals (GHS). Complete product labeling information and safety data sheets (SDS) are provided along with the shipment in accordance with regulations. In addition, languages, warning statements and label specifications that meet both domestic and international regulations are used. Product inspection reports and certificates of conformity are attached to the goods to assist customers to use the products correctly.	
(VI) Has the Company established supplier management policy, requested suppliers to comply with relevant regulations with regards to the issues of the environmental protection, occupational safety and health or labor rights etc. and the implementation status thereof?	V		1. The Company has established supplier management procedures based on ISO 9001 for registration and management. Suppliers are required to complete survey questionnaire covering the aspects of business ethics, labor rights, environmental protection, and occupational safety and health, etc. 2. The Company regularly conducts score evaluation and assessment on suppliers and subcontractors annually. Please refer to the Company's Sustainability Report for details on the breakdown of results in 2025.	No deviation.
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of ESG reports and other reports that disclose the Company's non-financial information? Have the aforementioned reports been confirmed or verified by a third-party certification unit?	V		1. The Company follows the Global Reporting Initiative Standards (GRI Standards) in preparation of its ESG report. 2. Please refer to the Sustainability Report for information on the verification of the Company's Sustainability Report.	No deviation.
VI. If the Company has its own sustainable development best practice principles based on the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies," please describe its current practices and any deviations thereof from the Best-Practice Principles: The Company adopted its “Corporate Social Responsibility Best Practice Principles” in March 2020, and renamed it as ”Sustainable Development Best Practice Principles” in 2022, and amended the provisions thereof in reference to the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” in order to practice the corporate sustainable development objectives step by step pursuant to the provisions of the Principles.				

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	

VII. Other important information to facilitate understanding of sustainable development operations:

1. Guided by the core business philosophy of "Integrity and Resilience, Research and Innovation, Sustainable Operations, and Profit Sharing," the Company is committed to steady and continuous improvement. We strive to build strong two-way communication channels to serve our clients and create a value chain that fosters a shared community of mutual growth.
2. The Company has donated the sponsorship for carnivals to Taiwan Fund for Children and Families and participated in the bazaar physically since 2009. In 2025, the total amount of donation was NT$80,290.
   Since 2014, the Company has also participated in the activity for raising of Lunar Year dishes organized by Huashan Social Welfare Foundation, in order to feed back to the society through participation in the public welfare activities. In 2025, the total amount of donation was NT$11,800, with 18 set of dishes.
3. The Company has diverse talent recruitment channels, including recruiting young and outstanding talents through industry-academia cooperation. There was no industry-academia cooperation in 2025.
4. The Company makes its best efforts to protect the environment to achieve the sustainability and fulfill the corporate social responsibility. The multiple pollution prevention equipment owned by the plant is stated as following:
   A. Liquid-injected incinerator: The particulate matter emission control standard values applicable to such equipment are 50mg/Nm^3 (new pollution sources) and 100 mg/Nm^3 (existing pollution sources) in the process of combustion. The plant has reviewed the boilers and incinerators and adopted the eco-friendly fuel (change from heavy oil to natural gas) since 2014, in order to commit itself to practice the "recognition of environmental safety and fulfillment of improvement" declared by the SHE policy. The plant processes the high-concentration COD waterbody generated by evacuation in the process of production of the "polyester polyol". If it exceeds the waste water treatment load, it will be treated by the incinerator at the plant in accordance with the "Small-Sized Waste Incinerator Dioxin Control and Emission Standards". Meanwhile, the Boiler Air Pollutant Emissions Standards has been made public on September 19, 2018. The particulate matter emission control value applicable to the existing boilers should be 30 mg/Nm3 (since July 1, 2020). As the plant adopts such eco-friendly fuel as natural gas, the permit extension test report shows that the particulate matter emission control value is <30 mg/Nm3.
   B. Waste water treatment equipment: Store, manage and treat the esterified water D-1505 waste (sewage) water and cooling waste water generated in the process of the production of the "polyester polyol", and domestic waste water in the form of ultra-high, high and low-concentration COD waterbody. The waste water treatment equipment invested by the plant is engaged in discharging the organic matters contained in the waste water treated and decomposed by the two-step biological treatment process in the equalization basin upon mixing into the sewage sewer of the industrial park. The discharged water quality upon the treatment satisfies the industrial park's emission standard (Nankang: COD<640mg/L).
   C. Organic gas biological filter bed treatment equipment: In order to process VOCs effectively, the plant adopts high-efficiency low-

Item	Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	

carbon volatile organic matter control technology, the biological filter bed, to process the Company's VOCs of odor substance or organic compounds, in accordance with the "Volatile Organic Compounds Air Pollution Control and Emission Standards".

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

Tables:

Table 1: Human rights Assessment Table

Target audience	Topic	Responsible unit	Remedial measures	2025 risk mitigation
Female Indigenous people Migrant worker People with disabilities	Workplace inclusion Health and safety Work discrimination	Human Resource and General Affairs of Administration Division	● Provide charity parking spaces depending upon the needs. ● Provide breastfeeding room. ● Provide indigenous employees with seasonal festival leave as required by law. ● Convene migrant worker meetings monthly for regular internal communication. ● Employee people with disabilities in compliance with laws and regulations, and provide accessible passages.	● No use demand for charity parking spaces. ● No use demand for breastfeeding rooms. ● Seasonal rituals leave with 1 person qualified for the leave, and 1 person applied for such leave. ● Total number of employees with physical and mental disabilities has reached the legally required employment quantity.
Employees	Workplace illegal sexual harassment	Human Resource of Administration Division ESH Center	● Establish the "Workplace Sexual Harassment and Equal Employment Opportunity Prevention Measures Grievance and Disciplinary Procedures", develop evaluation forms for general employees and supervisors, and conduct education and training every three years as required by law, in order to enhance all employees' understanding of equal rights and create a healthy, harassment-free workplace. ● Establish the "Whistleblower Channel and Protection Mechanism Operating Procedure" and	● There was 1 case of workplace illegal infringement incident. After a complaint was received, an investigation committee was established according to procedure to conduct a thorough investigation, which

Item			Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
			Yes	No	Summary	
					complaint channels, encourage and standardize reporting process, maintain confidentiality throughout the handling process, and ensure the privacy of all parties involved. ● Publicize relevant regulations and internal and external reporting channels on the Company's website.	was kept confidential throughout. The case was then closed appropriately. ● No sexual harassment incidents. ● The Company's complaint case acceptance unit is the Environmental Safety and Health Center. Upon receipt of a complaint, an immediate investigation is launched, and the investigation process and data retention are handled according to established procedures.
	Employees	Forced labor	Human Resource of Administration Division		● The Company complies with the Employment Service Act and does not withhold any employee or job seeker's identity documents, property, or security deposits. ● Labor conditions are explained in detail during onboarding of the job. Employees are requested to submit a probation report upon completion of the probation, and supervisors also verify the new employees' performance and status. ● The actual work conditions and wages of employees are consistent with their labor contracts and work rules, and also comply with all applicable laws and regulations.	● No violation of forced labor.
	Employees	Salary and working hours	Human Resource of Administration		● Through the attendance and overtime application system, employees' attendance and working hours are accurately recorded.	● For personnel with excessive working hours, appropriate

Item			Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
			Yes	No	Summary	
		Division All departments			● The warning list is compiled monthly and is provided to department heads.	overtime pay or compensatory leave has been provided, and relevant supervisors have been requested to adjust workloads and staff allocation.
Employees	Personal data management and privacy protection	Human Resource of Administration Division All departments			● The "Personal Data Protection Management Regulations" have been established, and the consents of new employees are obtained via the "Personal Information Collection Consent Form" before their onboarding of job, informing them of the purpose of data collection, the internal retention period, and that the data would not be used for other purposes. ● During the organization of employee travel activities, if it is necessary to provide employee personal data to the service provider, the contract specifies terms regarding the confidentiality of personal information, or use the "Personal Information Protection Undertaking" outlined in the management regulations, in order to ensure that employees' personal data is protected. ● For any questions regarding the Company's "Regulations Governing the Management of Personal Information", please contact us via the following method: ● Tel.: 049-2255357 ● Email: csr@twemc.com.tw	● Employee education and training: New employees: education session upon reporting to work; on-job employees: informed at the employee monthly meeting held on November 14. ● Internal management: 2 customer privacy reviews/audits are conducted annually; and 1 time of data access rights inventory is conducted annually. ● Incident response and risk management: No violations of personal data protection occurred. ●
Employees Contractors	Occupational safety and health	ESH Center Manufacturing Division			● Introduction of the international occupational safety and health management system ISO45001 certification. ● To protect workers' health and safety and to prevent occupational hazards, regular monitoring of the work environment is conducted. ● Working environment shower facilities, drinking	● Occupational injuries: 2 cases. ● Accident reports have been filed for incidents that occurred, and the Company cares for employees' recovery

Item				Status		Summary	Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
						fountains, and fire safety equipment throughout the plant are inspected periodically. ● Employee awareness on hazard identification is enhanced through monthly 6S inspections and reports, safety and health education and training, and the creation of internal publications. ● Before the contractor enters the plant, the contracting unit provides the "Construction Application and Hazard Notification Form" according to the requirements, in order to enhance hazard prevention awareness of internal and external workers.	and also provides appropriate compensation. ● Education and training: 303 training hours for job guidance with the number of trainees of 390 people.
	Suppliers	1. Salary and working hours 2. Health and safety	Procurement of Administration Division			Require suppliers to complete survey questionnaire, and its content includes: 1. Human Rights: Whether the company values human rights and working conditions, prohibition on support or use child labor, regulatory compliance for wages and working hours, prohibition on forced labor, and respect for freedom of religion, assembly and association. 2. Health and safety: Whether the company complies with relevant laws or qualifies relevant international standards such as ISO 45000, in order to ensure worker occupational health and safety.	New suppliers have completed the survey upon registration. In addition, supplier assessment is conducted annually to ensure the compliance status.

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

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

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

Based on the evaluation conducted by the Sustainability Task Force and building on the results identified in 2022, the Company has confirmed the relevant risks and opportunities for 2025. In addition, the timing of these risks and opportunities and their potential financial impacts were assessed, and corresponding response measures have been formulated as follows:
<table>
<tr><td>Type</td><td>Climate-related</td><td>Impact</td><td>Potential financial</td><td>Impact on business or response strategies</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation Status (Note)</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td>risks/opportunities</td><td>time</td><td>impact</td><td></td></tr>
<tr><td>Physical risk</td><td>Natural disaster (earthquake, tsunami)</td><td>Long-term</td><td>Increase in expenses
Decrease in revenue</td><td>Plant sites adjacent to coastal and hillside areas continue to conduct regular contingency drills, and inspect equipment status after each earthquake incident.</td></tr>
<tr><td>Physical risk</td><td>Extreme weather (water shortage)</td><td>Interim</td><td>Increase in expenses
Decrease in revenue</td><td>Water towers/tanks are set up at plant sites to mitigate impact.</td></tr>
<tr><td>Transition risk</td><td>Raw material adjustment and price fluctuations</td><td>Interim</td><td>Increased in costs</td><td>The procurement of raw materials and price fluctuations resulting from transportation issues caused by extreme weather events affect the Company's operating costs. We will continue to monitor supplier information and respond promptly.</td></tr>
</table>
</td></tr>
<tr><td>3. Describe the financial impact of extreme weather events and transformative actions.</td><td>Extreme weather events:
Events such as heavy rainfall, typhoons, heat waves, droughts and water shortages will cause traffic interruptions, power supply interruptions, damage to factory machinery and equipment, and low production efficiency caused by high temperature weather. This may lead to interruption of the company's supply chain and increase the cost of raw materials, and bear higher factory operating costs. Even the production line cannot operate normally.
Transformation action:
Transition actions aimed at reducing greenhouse gas emissions to mitigate the frequency of extreme weather events. Including the development costs of low-carbon products, the increased cost of using low-carbon raw materials, production line upgrades to reduce energy consumption, facility retrofitting, employee training, and investments in carbon reduction projects such as carbon credit trading, these efforts may raise operating costs in the short term. However, in the long term, if the Company’s transition actions succeed, integration into branded green supply chains may bring positive financial impacts.</td></tr>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>1. In accordance with ISO-based “Strategic Management Procedures,” each department identifies operational risks, opportunities, and climate-related issues. The Sustainability Task Force consolidates and assesses the climate-related risks and opportunities submitted by each unit, evaluates their potential financial impact, and formulates response strategies to mitigate risks to business operations and finances. Through SWOT analysis, the Company establishes strategic objectives that incorporate identified climate risks and opportunities, and sets short-, medium-, and long-term strategies and management</td></tr>
</table>

Item	Implementation Status (Note)
	indicators. Each policy and management indicator is implemented by the relevant departments, which carry out day-to-day risk control in line with established standard operating procedures and internal regulations. 2. The Sustainability Task Force integrates organizational resources, coordinates and monitors the implementation status of various policies, and holds meetings as needed to review progress. Strategies and management indicators are revised when necessary, and implementation results are reported to the Board of Directors.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not yet used scenario analysis for evaluation.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company’s transition plan to manage climate-related risks is currently under evaluation.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet used the internal carbon pricing as the planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company's climate-related goals are still under the studying process.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan. 9-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years	As the Company’s paid-in capital does not exceed NT$5 billion, the greenhouse gas inventory and assurance processes, as well as the related reduction targets, strategies, and concrete action plans, are still under development. Only partial disclosure is provided for the current year. The data coverage includes the Nangang Plant in Nantou City and the Dayuan

<table>
<tr><th>Item</th><th>Implementation Status (Note)</th></tr>
<tr><td></td><td>Plant in Taoyuan City.</td></tr>
<tr><td>9-1-1 Greenhouse Gas Inventory Information
Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.</td><td>Greenhouse gas emissions:
<table>
<tr><th>Year
Item</th><th>2024</th><th>2025</th></tr>
<tr><td>Scope 1 (metric tons CO2e)</td><td>3,543.903</td><td>3,525.454</td></tr>
<tr><td>Scope 2 (metric tons CO2e)</td><td>5,518.222</td><td>5,644.293</td></tr>
<tr><td>Scope 3 (metric tons CO2e)</td><td>90,929.421</td><td>83,805.172</td></tr>
<tr><td>Category 1 Products and services purchased</td><td>81,634.129</td><td>75,460.746</td></tr>
<tr><td>Category 12 Final disposition of sales products</td><td>9,295.032</td><td>8,344.426</td></tr>
<tr><td>Total greenhouse gas emissions</td><td>99,991.546</td><td>92,974.919</td></tr>
<tr><td>Greenhouse gas emissions intensity (Metric tons CO2e/NT$1 million)</td><td>59.1315</td><td>60.0225</td></tr>
</table>
※ Scope 3 emissions for the Company include only Category 1 (purchased goods and services) and Category 12 (end-of-life treatment of sold products), which together account for the majority of the Company’s Scope 3 emissions.
*Verification of the annual sustainability data is still ongoing as of the publication date of this annual report.</td></tr>
<tr><td>9-1-2 Greenhouse Gas Assurance Information
Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.</td><td>Assurance status:
<table>
<tr><th></th><th>2024</th><th>2025</th></tr>
<tr><td>Scope of assurance</td><td rowspan="4">Assurance not yet executed</td><td rowspan="4">Assurance not yet executed</td></tr>
<tr><td>Assurance institution</td></tr>
<tr><td>Assurance standards</td></tr>
<tr><td>Assurance opinion</td></tr>
</table></td></tr>
<tr><td>9-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan
Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.</td><td>The Company's consolidated financial report boundary greenhouse gas inventory is currently being conducted, and reduction targets, strategies and specific action plans are still being established.</td></tr>
</table>

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

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

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Enactment of ethical management policy and program (I) Does the Company formulate the ethical management policy approved by the board of directors, and in the regulations and external documents expressed the policies and practices of operating in good faith, and the commitment of the board of directors and senior management to actively implement business policies?	V		The Company has established "Ethical Corporate Management Best Practice Principles" and disclosed them on the market observation post system. Amendments to the Principles must be approved by the board of directors, and the Board of Directors and senior management are committed to actively implementing business policies.	No deviation.
(II) Has the Company established an evaluation mechanism for the risk of unethical behavior, regularly analyzed and evaluated the business activities with high unethical behavior risk within the business scope, and formulated a plan to prevent unethical behavior accordingly which at least covers the preventive measures for the behaviors in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		The Company stipulates the prevention of unethical conducts in Article 6 of the " Ethical Corporate Management Best Practice Principles" and sets out operating procedures, behavior guidelines, disciplinary penalties and appeal systems, and covers at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."	No deviation.
(III) Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	V		The Company has established its Procedures for Ethical Management and Guidelines for Conduct. under which the operating procedures, behavioral guidelines, punishments, and appeals systems for violations are clearly established and implemented. Furthermore, it regularly reviews the state of interest in the disclosure plan prior to amendments and standardizes the scope of defense.	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
II. Implementation of ethical management (I) Does the Company assess a trading counterpart's ethical management record, and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	V		The Company will assess the trading counterpart's ethical management record based on the related provisions of internal control or ISO procedures, and expressly state the ethical management best-practice principles to be followed.	No deviation.
(II) Has the company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	V		he Company's "ethical corporate management best-practice principles" provide that the Board of Director shall designate a unit dedicated to establishing, supervising and implementing the ethical corporate management policy and preventive program, if necessary, and to reporting the status thereof to the Board of Directors periodically. The Administration Division of the Company is responsible for the amendment, implementation, interpretation and consultation service of the Ethical Corporate Management Policies and Codes of Conduct, as well as the recording and documenting reports among other related operations, and the supervision of implementation. It is mainly responsible for the following matters: 1. Assist in integrating integrity and ethical values into the Company's business strategy and cooperate with the legal system to formulate relevant anti-fraud measures to ensure ethical management. 2. Regularly analyze and evaluate the risks of dishonesty in the business scope and	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			formulate plans to prevent dishonesty, incorporating standards of the Procedures and Guidelines for Conduct within each plan. 3. In planning internal organization, establishment, and responsibility, for business activities with a high risk of dishonesty in the business scope, it shall place a mechanism for mutual supervision and checks and balances. 4. It shall promote and coordinate of ethical policy advocacy training. 5. It shall plan the reporting system, ensuring the effectiveness of implementation. 6. It shall assist the Board of Directors and management to check and evaluate whether the preventive measures established by ethical management are operating effectively, and regularly evaluate and follow the relevant business processes in a report. The Administration Division reports related operations and implementation results to the Board of Directors at least once a year. On November 11, 2025, the Administration Division reports the ethical management policy, implementation methods, audit and implementation results to the Board of Directors.	
(III) Does the Company define any policy against conflict of interest, provides adequate channel	V		The Company's directors and managerial officers may state to the Company's	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
thereof, and fulfills the same precisely?			management voluntarily from time to time whether there is any conflict of interest between them and the Company. If any motion proposed at a directors' meeting involves a conflict of interest with them per se or any juristic persons represented by them and thereby causes harm to the Company's interest, they may state their opinion and responses and be prohibited from participating in discussion and voting. They shall recuse themselves from discussion and voting or exercising voting power on behalf of any other director. The directors shall be self-disciplined, and prohibited from backing up each other inadequately. The Company has established the "Operational Procedures for the Channel and Protection System for Whistleblowers." Any person who discovers that the Company (including subsidiaries) or any person performing duties on behalf of the Company may violate the law or business ethics, may notify the Company through the whistle-blowing channels. There will be dedicated personnel to handle related matters in accordance with the procedures.	
(IV) Does the company establish an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit	V		The Company has established an internal control system, accounting system and other relevant rules and regulations, and they are operating effectively. The internal auditors regularly review relevant transactions, and the	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
plans, and check the compliance with the plan to prevent dishonesty, or entrust an accountant to perform the audit?			audits cover unethical conducts, and the results of the audit will be reported to the Board of Directors; the CPAs conduct internal control system audit, covering the status of ethical corporate management.	
(V) Does the Company organize internal/external education training program for ethical management periodically?	V		The Company regularly organizes internal and external education and trainings and promotion on ethical management from time to time. Please refer to the description of "VI. Other Important Information Helpful to Understand the Company's Operation of Ethical Corporate Management" in this Table.	No deviation.
III. Status of the Company's whistleblowing system (I) Does the Company define a specific whistleblowing and reward system, and establish some convenient whistleblowing channel, and assign competent dedicated personnel to deal with the situation?	V		The Company has established the "Operational Procedures of Channels and Protection Mechanism for Whistleblowers" to regulate the procedures for receiving and handling relevant information; the channels for whistle-blowing are disclosed on the Company's website. Depending on the cause of the report, different dedicated personnel will handle related matters. The whistleblower may also feed the violation of the ethical management principles back to Administration Department in writing. Administration Department shall keep the whistleblower's identity and contents of the whistleblowing case in confidence. The Company takes disciplinary actions against these who violate the ethical management in accordance with the Personnel	No deviation.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			Regulations. If the offender objects the disciplinary action, he/she may appeal based on the facts. For whistle-blowers, in addition to relevant protective measures, rewards will be given in accordance with the Company's Personnel Regulations.	
(II) Has the company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	V		The Company's "ethical corporate management best-practice principles" and "guidelines of ethical conduct" have defined the standard operating procedure for investigation into the whistleblowing cases and related nondisclosure mechanism. No whistleblowing incident was received in 2025.	No deviation.
(III) Does the Company adopt any measures to prevent the whistleblowers from being abused after the whistleblowing?	V		The Company has established the "Operating Procedure for Whistleblowing Channels and Protection of Whistleblowers" to define the procedure for investigation into the whistleblowing cases and related nondisclosure mechanism, and measures to protect the whistleblower.	No deviation.
IV. Enhancing Information Disclosure Does the company, on its website and on the market observation post system, disclose the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles	V		The Company discloses the Ethical Corporate Management Best Practice Principles on the Company's website and the Market Observation Post System, and discloses the relevant operations and implementation results on the Company's website. For relevant details, please refer to the disclosures in the "Operation Explanation" under the "Corporate Governance" on the Company's website.	No deviation.
V. If the Company has established its own ethical corporate management best-practice principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies", please describe the current practices and any deviations from the				

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
TWSE/TPEx Best-Practice Principles: The Company's "Ethical Corporate Management Best-Practice Principles" has been passed at the directors' meeting. The Company upholds the practical management philosophy for "Simplicity & Firmness, Research & Innovation, Sustainability and Profit Sharing" pursuing constant improvement. Meanwhile, the Company establishes the fair corporate governance and risk control mechanism and creates the operating environment for sustainability based on the ethical corporate management, in order to satisfy the spirits upheld in the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies.				

VI. Other information that enables a better understanding of the Company's ethical corporate management: (e.g. review and amendments on the ethical corporate management best-practice principles established by itself).

The Company's ethical corporate management and its implementation are as follows:

1. Preventive regulations: constantly monitor regulations and practical implementations, to adjust and amend relevant regulations in a timely manner.
2. Education, trainings, and promotions on ethical corporate management, procedures for handling material information, and prohibition of insider trading in 2025:

Month	Target audience	Attendees/hour	Method	Content and Topic
November	All directors	9 persons/ 2.25 hours	Meeting	1. Educational Promotion according to Tai-Zhen-Jian-Zi No. 1140403448 Letter, common violations of insider equity changes. 2. Educational promotion on the Procedures for Handling Material Inside Information and Prevention of Insider Trading. 3. Educational promotion on ethical management. 4. Educational promotion on whistleblower protection system and Ethical Corporate Management Best Practice Principles. 5. Educational promotion on sexual harassment prevention.
November	Managers and employees	123 persons/ 92.5 hours	Meeting	1. Educational promotion on the Procedures for Handling Material Inside Information and Prevention of Insider Trading. 2. Educational promotion on ethical management. 3. Educational promotion on sexual harassment prevention. 4. Educational promotion on whistleblower protection system and Ethical Corporate Management Best Practice Principles.

Scope of assessment	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			5. Educational promotion on intellectual property rights management 6. Educational promotion on personal data protection.	

3. Unethical incidents: No unethical incident was found during the internal audit and the CPAs' audit in 2025, and no report of unethical incident was received.

(VII) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance:

1. Intellectual property management plan:

To ensure the full utilization and appropriate protection of the Company's intellectual property, improve corporate governance and strengthen the board's supervisory functions, the Company has established the "Intellectual Property Right Management Regulations" to integrate intellectual property application and operational processes, and maintain business interests and competitive advantages. The Company continues to invest in the research and development of new products and processes, properly protect the Company's R&D and marketing results through the inventory and management of intellectual properties of patents and trademarks, in order to enhance the Company's competitiveness in line with its business goals.

(1) Trade secret management

The Company's management regulations explicitly specify that:

A. Employees shall maintain the confidentiality of business or job-related information.
B. Employees shall maintain the confidentiality of valuable information, such as classified technical documents, customer lists and process planning.
C. Within two years after termination of employment, employees shall not use the Company's confidential information for themselves or others to engage in any business that may damage the Company's interests without a legitimate technical transfer.

(2) Trademark management

The President's Office of the Company is in charge of the trademark management. The Company conducts searches before using trademark rights to avoid infringing the trademark rights of others. The trademarks of the Company mainly refer to the Company's LOGO and product names. In 2020, to expand sales, the Company started to apply for overseas trademarks, in order to secure its image and product name rights in local markets.

(3) Patent management

The Company's R&D unit manages patent use duration and the scope of authorized applications. In addition, patent searches are conducted to avoid infringing on other parties' patent rights when implementing the R&D results. The patents held by the Company primarily cover new product inventions and patents related to product manufacturing processes. In addition to satisfying customer needs with new products, application of patents can also drive the development of related equipment suppliers.

(4) Operation status

A. All new employees of the Company must sign a confidentiality agreement.
B. Intellectual property rights management status of intellectual property rights is reported to the Board of Directors. The 2025 report has been completed on November 11.
C. Intellectual property rights management educational promotion for all employees: Educational promotion session was completed during the employee monthly meeting held on November 14, 2025. There were 123 attendees and the total training hours was 92.5.

2. For other important information, please refer to the MOPS (http://mops.twse.com.tw/) for the section of "Establishment of Corporate Governance Related Regulations" under "Corporate Governance".

(VIII) Implementation of the internal control system

1. Statement of Declaration on Internal Control

Evermore Chemical Industry Co., Ltd.

EVERMORE CHEMICAL INDUSTRY CO., LTD. Tel: 886-49-2263551
No. 7, Gongye S. 2nd Rd., Nantou City, Nantou County 540, Taiwan (R.O.C.) Fax: 886-49-2253912

EVERMORE CHEMICAL INDUSTRY CO, LTD,

Statement of Declaration on Internal Control System

Date: March 10, 2026

The following declaration had been made based on the 2025 self-assessment of the Company's internal control system:

I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, a self-monitor mechanism is installed in the internal control system of the Company. The Company will make corrections once the deficiencies are identified.

III. The Company evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the existing system continues to be effective. The criteria defined in "the Regulations" include five elements depending on the management control process: 1. environment control; 2. risk assessment; 3. control process; 4. information and communication; and 5. supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.

IV. The Company has adopted the said criteria to validate the effectiveness of its internal control system design and execution.

V. In accordance with the assessment result referred to in the preceding paragraph, the Company believes that the design and implementation of our internal control system (including monitoring and management on subsidiaries) as of December 31, 2025, including the achievement rate of effectiveness and efficiency of operations and reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws, are effective and may reasonably ensure the achievement of aforementioned goals.

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

VII. The Statement was passed unanimously without objection by all 9 Directors present at the Board meeting dated March 10, 2026.

Evermore Chemical Industry Co., Ltd.

Chairman: Wen-Chieh Ho (seal/signature)

President Chng-Tze Huang (seal/signature)

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

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

1. Shareholders' meeting minutes available in 2025 and up to the date of publication of the annual report:

Date		Contents	Resolutions	Status
2025/05/29 Annual General Shareholders' Meeting	Ratification Items	1. Ratification of the 2024 business report and financial statements.	Passed unanimously.	-
		2. Ratification of 2024 earnings distribution proposal.	Passed unanimously.	Cash dividends of NT$79,510,400 have been distributed on 2025/7/9
	Discussion Items	1. Amendments to "Articles of Association".	Passed unanimously.	Implemented in accordance with the amended Articles of Incorporation.

2. Important Board resolutions in 2025 and up to the date of publication of the annual report:

Date	Contents	Resolution
2025/01/23	1. Amendments to the "Computerized Information System Cycle" and its internal audit implementation rules. 2. Amendments to the Purchase and Payment Cycle and its internal audit implementation rules. 3. Periodically review the annual and long-term performance goals and remuneration policy, system, standard and structure for the Company's directors, supervisors and managerial officers. 4. Motion for allocation of 2024 year-end bonus to managerial officers.	Passed unanimously.

Date	Contents	Resolution
2025/03/11	1. Issuance of the Company's 2024 Statement of Declaration on Internal Control System. 2. Allocation of 2024 remuneration to employees and directors. 3. Review of 2024 parent company only financial statements and consolidated financial statements. 4. 2024 earnings distribution. 5. Amendments to "Articles of Association". 6. Short-Term Loan Credit Facility with CTBC Bank Co., Ltd. 7. Endorsements/guarantees for Dongguan Pou Chien Chemical Co., Ltd. 8. Loaning to TOP WELL ELASTIC TECHNOLOGY CO.,LTD.. 9. Assessment on independence and competence of the attesting CPAs and their appointments and remunerations 10. Convention of 2025 annual general meeting.	Passed unanimously.
2025/05/12	1. Review of 2025 Q1 consolidated financial statements. 2. Proposal for change of short-term borrowing limit with CTBC Bank Co., Ltd. 3. Proposal for loan credit extension with Chang Hwa Commercial Bank	Passed unanimously.
2025/05/29	No discussion items	-
2025/08/08	1. Review of 2025 Q2 consolidated financial statements. 2. Proposal for loan contract renewal with Bank of Taiwan 3. Application for forward exchange agreement with Mitsubishi UFJ Financial Group, Inc. 4. Application for forward exchange agreement with Mega International Commercial Bank 5. Dissolution of subsidiary 6. Establishment of the Company's "Corporate Value Enhancement Plan" 7. Review of the 2024 Sustainability Report 8. Appointment of R&D Manager 9. Authorizing the Chairman to proceed with the sale of the subsidiary Sun-Yad in Vietnam 10. Proposal for distribution of directors' remuneration for 2024 11. Proposal for distribution of employees' remuneration to managerial officers for 2024	Passed unanimously.
2025/11/11	1. Review of 2025 Q3 consolidated financial statements 2. 2026 internal audit plan 3. Endorsement/guarantee for TOP WELL ELASTIC TECHNOLOGY CO., LTD. 4. Specifying the definition of "Entry-level employees', and establishment and amendment to the "Employee Salary Cycle" and its internal audit implementation rules accordingly. 5. Amendment of some provisions of Procedures for the Acquisition or Disposal of Assets.	Passed unanimously.

Date	Contents	Resolution
	6. Proposal for the Company's organizational system adjustment. 7. Reappointment of the directors of the invested subsidiary 8. Mega Commercial Bank loan contract renewal. 9. Change of disposal method for subsidiary Giant Star Trading. 10. Proposal for the sale of the subsidiary Sun-Yad in Vietnam. 11. Review of 2026 budget.	
2026/02/12	1. Loaning of fund to TOP WELL ELASTIC TECHNOLOGY CO., LTD. 2. Reappointment of the directors of the invested subsidiary. 3. Periodically review of the annual and long-term performance goals and remuneration policy, system, standard and structure for the Company's directors, supervisors and managerial officers. 4. Proposal for the Company's allocation of 2025 year-end bonus to managerial officers.	Passed unanimously.
2026/03/10	1. Issuance of the Company's 2025 Statement of Declaration on Internal Control System. 2. Proposal for distribution of 2025 remuneration of employees and directors of the Company. 3. Review of 2025 parent company only financial statements and consolidated financial statements. 4. Proposal for 2025 earnings distribution. 5. Amendment of the Policy and Procedures for Risk Management. 6. Endorsements/guarantees for Dongguan Pou Chien Chemical Co., Ltd. 7. Assessment of independence and competence of the attesting CPAs and their appointments and remunerations. 8. Proposal for renewal of short-term borrowing agreement with CTBC Bank Co., Ltd. 9. Convention of 2026 annual general shareholders' meeting.	Passed unanimously.

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

IV. Information about External Auditor's Professional Fee:

Unit: NTD thousand

Name of Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees (Note)	Total	Remark
Deloitte Taiwan	Shu-Ching Chiang	2025/01/01-2025/12/31	3,385 thousand	200 thousand	3,585 thousand	
	Ting-Chien Su	2025/01/01-2025/12/31				

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

(I) Replacement of the CPA firm and reduction in audit fees paid during the year of replacement compared with the previous year: N/A.

(II) The audit fees decreased by more than 10% compared with the previous year: None.

(III) The assessment report on independence of the external auditor certifying the Company's financial statements:

In accordance with the "Regulations Governing Assessing the Independence and Suitability of Certified Public Accountants" and with reference to the Audit Quality Indicators (AQIs) of the accounting firm, the independence and suitability of CPAs are evaluated as follows. Related assessment information was deliberated by the Audit Committee, and reported to the board of directors for resolution on March 11, 2025.

The key assessment items are as follows:

Item No.	Scope of Assessment	Yes	No	Remarks
1.	Do the CPAs act as the Company's external auditors for no more than 7 years consecutively?	V		
2.	Do the CPAs not collect any related commission?	V		
3.	Do the CPAs not hold any shares int he Company?	V		
4.	Do the CPAs not hold any regular position in the Company with fixed pay concurrently?	V		
5.	Do the CPAs not co-invest or share profit with the Company?	V		
6.	Do the CPAs not hold the position as directors, supervisors or managerial officers or any position that might affect the audited cases materially in the Company, currently or within the most recent two years?	V		
7.	Are the CPAs not the relatives of the Company's directors, supervisors or managerial officers, or staff holding the position that might affect the audited cases materially?	V		
8.	Does the audit service team satisfy the criteria about independence referred to in Statement No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China?	V		Statement of Declaration
9.	Is the review or audit report completed within the agreed time limit?	V		
10.	Does the audit report guarantee specific accuracy?	V		
11.	Does the CPAs pose positive suggestions against the Company's management system and internal control audit, and are the same recorded?	V		
12.	Do the CPAs provide the Company with the information about update and amendments to laws & regulations and relevant training courses voluntarily?	V		
13.	Do the CPAs help the Company communicate and coordinate with the competent authority?	V		

Date of Assessment: March 11, 2025

Assessment Result: ☑ □ Conforming □ Not conforming with the independence and suitability of CPA

V. Information about Replacement of CPAs: None.

VI. Name of CPAs Firm or its affiliates in which the Company's Chairman, president, financial or accounting manager is an employee over the past year: None.

VII. Any transfer of equity interests and pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent year and until the date of publication of the annual report:

1. Directors, supervisors, managers and major shareholders' equity changes

Job title	Name	2025		Up to March 31 for 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Wen-Chieh Ho	0	0	0	0
Director	Aica Kogyo Company Limited	0	0	0	0
	Representative: Omura Nobuyuki	0	0	0	0
	Representative: Mori Yosuke	0	0	0	0
	Representative: Nishino Go (Released from duty on 2025/04/01)	0	0	0	0
	Representative: Hisano Norikazu (Assumed the position on 2025/04/01)	0	0	0	0
	Yue Dean Technology Corporation	0	0	0	0
	Representative: Chi-Chih Hung (Released from duty on 2025/01/22)	0	0	0	0
	Representative: Yu-Chi Lee (Elected on February 17, 2025)	0	0	0	0
Independent director	Higashiyama Mikio	0	0	0	0
Independent director	Wan-Yu Chen	0	0	0	0
Independent director	I-Hsiu Su	0	0	0	0
Director/ President	Chang-Tze Huang	0	0	0	0
Group Vice President	Ching-Song Lee	0	0	0	0
Assistant Vice President	Shih-Chieh Wang	0	0	0	0
Financial Manager	Pao-Hua Wu	0	0	0	0
Accounting Manager	Hsiang-Li Chen	0	0	0	0
Manager	Pin-Chung Chen (Released from duty on 2025/08/08)	0	0	0	0
Manager	Ming-Yu Ho (Assumed the position on 2025/08/08)				

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

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

March 29, 2026

Name	Shareholdings by oneself		Shares held by spouse or underage children		Total shares held in the names of others		Disclosure of information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names or designations, and relationships		Remarks
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Designation (or name)	Relationship	
Aica Kogyo Company Limited	49,793,388	50.10%	0	0	0	0	None.	-	-
Aica Kogyo Company Limited Representative: Omura Nobuyuki Representative: Mori Yosuke Representative: Hisano orikazu	0	0	0	0	0	0	None.	-	-
Wen-Chieh Ho	7,003,532	7.05%	2,000,657	2.01%	0	0	Tsui-Chu Li	Spouse	-
Chi-Lin Ho	4,500,000	4.53%	0	0	0	0	Wen-Chieh Ho	Child	-
Han-Jen Ho	4,500,000	4.53%	0	0	0	0	Wen-Chieh Ho	Child	-
Hui-Pin Lu	2,196,193	2.21%	2,647	0.00%	0	0	None.	-	-
Wei-Tung Liu	2,141,412	215%	88,574	0.09%	0	0	None.	-	-
E.SUN Commercial Bank in custody of Employees' Stock Option of Evermore Chemical Industry Co., Ltd.	2,111,875	2.12%	0	0	0	0	None.	-	-
Tsui-Chu Li	2,000,657	2.01%	7,003,532	7.05%	0	0	Wen-Chieh Ho	Spouse	-
Yue Dean Technology Corporation Chairman: Yu-Chun Chen	1,786,760	1.80%	0	0	0	0	None.	-	-
Chun-Lien Hsu	1,007,139	1.01%	0	0	0	0	None.	-	-

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

Three. Information on Capital Raising

I. Capital and Shares

(I) Source of share capital

Year/ Month	Issue price	Authorized capital stock		Paid-in capital stock		Remarks					
		Quantity of shares	Amount	Quantity of shares	Amount	Source of capital	Offset by any property other than cash	Effective date	Doc. No.	Amount	Others
1989.05	NT$10	600,000	6,000,000	600,000	6,000,000	Own capital	None	-	Initial capital at the time of incorporation	6,000,000	None.
2006.10	NT$13.25	120,000,000	1,200,000,000	89,700,000	897,000,000	Cash capital increase by private placement	None	2006.10.18	Jing-Shou-Shang-Zi No. 09501234720	100,000,000	None.
2008.08	NT$10	120,000,000	1,200,000,000	93,288,000	932,880,000	Recapitalized from earnings	None	2008.08.20	Jing-Shou-Shang-Zi No. 09701207050	35,880,000	None.
2011.11	NT$10	120,000,000	1,200,000,000	91,788,000	917,880,000	Cancellation of treasury shares Capital decrease	None	2011.11.24	Jing-Shou-Shang-Zi No. 10001268740	-15,000,000	None.
2013.03	NT$13.87	120,000,000	1,200,000,000	102,388,000	1,023,880,000	Cash capital increase	None	2013.03.13	Jing-Shou-Shang-Zi No. 10201045750	106,000,000	None.
2015.02	NT$10	120,000,000	1,200,000,000	99,388,000	993,880,000	Cancellation of treasury shares Capital decrease	None	2015.02.26	Jing-Shou-Shang-Zi No. 10401034750	-30,000,000	None.

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

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

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

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

(II) List of major shareholders

Shareholders with a stake of 5 percent or greater or top ten shareholders:

March 29, 2026

Name of Major Shareholder	Shares held	Shareholding
Aica Kogyo Company Limited	49,793,388	50.10%
Wen-Chieh Ho	7,003,532	7.05%
Chi-Lin Ho	4,500,000	4.53%
Han-Jen Ho	4,500,000	4.53%
Hui-Pin Lu	2,196,193	2.21%
Wei-Tung Liu	2,141,412	2.15%
E.SUN Commercial Bank in custody of Employees' Stock Option of Evermore Chemical Industry Co., Ltd.	2,111,875	2.12%
Tsui-Chu Li	2,000,657	2.01%
Yue Dean Technology Corporation	1,786,760	1.80%
Chun-Lien Hsu	1,007,139	1.01%

(III) Dividend policy and implementation thereof

1. The Company's dividend policy:

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

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

2. Implementation thereof:

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

	Allocated per share (NT$)	Source
Cash dividends	0.65	Undistributed earnings
Total	0.65	*

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

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

(V) Remuneration to employees and directors

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

   If the Company makes profits in the year, 3% to 5% of the profits shall be appropriated as the employees' remuneration (among which no less than 50% shall be reserved as the remuneration of entry-level employees), and no more than 2% of the profits shall be appropriated as the remuneration of directors. However, if the Company still has accumulated losses, amount shall be reserved to compensate the losses in advance.

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

   (1) The basis for estimating the amount of remuneration to employees and directors for the current period:

   Based on the percentages resolved by the Board of Directors or defined under the Articles of Incorporation (at 3%~5% and 2%)

   (2) The basis for calculating the number of shares to be distributed as the remuneration to employees:

   The operating costs or operating expenses for the current year were stated based on the closing price applicable on the date preceding to the date of resolution made by the shareholders' meeting and by taking the ex-right and ex-dividend factors into account.

   (3) The accounting treatment if the actual distributed amount differs from the estimated amount:

   The significant changes in the amount distributed per resolution made by the Board of Director prior to the date of approval and publication of the annual financial statements, if any, were stated as the initial annual expenses, while the changes in the amount after the date of approval and publication of the financial statements should be treated as the changes in accounting estimates and stated in next year.

3. Allocation of remuneration passed by the Board meeting:

   (1) According to the motion for allocation of 2025 remuneration passed by the Board meeting on March 10, 2026, the remuneration to employees should be NT$4,936,536 thousand and the remuneration to directors NT$1,974,615 thousand, both to be allocated in cash. There is no difference between the amount resolved by the Board of Directors and the amount estimated in the year the expense was recognized.

   (2) No remuneration to employees was allocated in the form of stock.

4. Actual allocation of remuneration to employees and directors in the previous year:

(1) The actual allocation of remuneration to employees and directors in 2024:

Unit: NT$

Item	Initial motion for allocation passed by the Board meeting	Actual allocation	Variance
Employee remuneration	6,468,612	6,468,612	-
Remuneration to directors	2,587,444	1,225,542	1,361,902

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

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

II. Status of corporate bond: None.

III. Status of preferred stock: None.

IV. Status of overseas deposit receipts: None.

V. Status of employee stock option certificates: None.

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

VII. Implementation of capital utilization plan: None.

Four. Overview of Operations

I. Descriptions of business

(I) Scope of business

1. Major lines of business:

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

2. Relative weight of each business line:

Type of product	% of consolidated operating revenue
PU synthetic resin	77%
PE resin	3%
Other products	20%
Total	100%

3. Current products of the Company:

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

4. New products planned for development:

A. Development of non-yellowing trimer crosslinking agent
B. Development of non-yellowing trimer crosslinking agent
C. Development of TPU kettle-type supercritical foam
D. Fast-curing wood bonding agent
E. Optimization of the polyester polyol process to reduce waste output
F. Development of reactive hot-melt adhesive products for woodworking edge banding
G. Improvement of UM monomer quality and development of special UO for 3D printing applications
H. Development of water-based inks with strong adhesion for soft and ultra-hard, non-yellowing products
I. Improvement of resin less prone to whitening after application to textiles
J. Development of high-performance special food packaging adhesive

K. Small-molecule recovery and depolymerization of ether and ester PU products for reuse in TPU synthesis for shoes

(II) Overview of the industry:

1. Overall economic situation for 2025:

During the first quarter of 2025, global inflation eased and economic activity recovered slowly. However, the sudden imposition of equivalent tariffs by the U.S. President Trump in April 2025 severely impacted the global economy, causing to economy to return to a sluggish state during the second quarter of 2025. In addition, geopolitical conflicts and turmoil continued to impact and even worsen regional stability throughout 2025, while trade protectionism escalated, disrupting global supply chains and consumer markets. As a result, the global economy in 2025 showed weak growth momentum in all sectors except semiconductors and AI, experiencing a slow recovery.

Looking ahead to 2026, there are concerns on (1) whether a new round of tariff trade war measures by the U.S. President Trump will disrupt the relatively weak economic environment and affect its recovery; (2) whether inflation will resurge remains to be monitored despite that inflation has been eased; (3) Taiwan's economic development is heavily focused on high-tech fields such as semiconductors, and the labor market and demand for traditional basic chemical industries are potentially concerning; (4) geopolitical conflicts worldwide continue to expand, which may also disrupt the economic recovery. Therefore, in the face of the turbulent year 2026, flexible operational strategies and risk management capabilities will be key to success in 2026.

2. Relevant industries in 2025:

PU upstream raw materials:

In 2025, China's underlying economy remained in a state of involution, with significant oversupply in chemical capacity. In addition, new capacity continued to expand, and prices for bulk chemical raw materials were low. Although upstream raw material suppliers raised sales prices at the end of 2025, the recovery of terminal demand was slow and demand remained sluggish. In 2026, the conflict in the Middle East in February has affected crude oil supply, and raw material prices are expected to fluctuate greatly.

Downstream segment of the industry:

Despite strong demand from the semiconductor and AI sectors in 2025, recovery in traditional downstream industries related to general chemicals remained slow. Although inflation moderated, the sudden tariff barriers imposed by the U.S. government has disrupted the revival of consumer spending, and global consumer spending continues to be tight. As a result, operations in downstream segments related to PU and ultraviolet (UV) materials are expected to remain challenging in 2026 with gradual recovery.

3. Looking ahead to 2026, the ongoing and potential escalation of geopolitical conflicts and wars, the concern of whether U.S. President Trump continues the high-equivalent tariff barriers unexpectedly introduced in April 2025 and impacting the global economic environment, and the concern of whether the strained cross-Strait relations improve, along with continued economic involution in China and its resulting insufficient recovery, are all major factors directly affecting the global economy. Taiwan has always been an export-oriented economy, and various related bulk chemical raw materials of PU and UV are

imported from abroad. In 2026, the economic recovery and development of Taiwan's PU and UV related products will depend on the international situation. In addition, by 2026, issues of recycling, energy saving, and carbon reduction related to climate change and carbon dioxide emissions have become essential and unavoidable ESG policies. With the European Union beginning to implement a carbon tax, in 2026, companies will also require to exert greater efforts in promoting continued development of new products align with environmental protection concerns, in order to keep pace with current trends. Meanwhile, as the Chinese economy continues to experience intense internal competition in 2026, corresponding chemical products are being sold at low prices in overseas markets to reduce production capacity. To overcome these challenging external economic conditions, it is essential to implement research, development, production and sale of differentiated and high-value customized products. The economic structure of Asia is undergoing continuous change. Past reliance on China as the world's factory has significantly decreased in recent years due to global efforts to diversify away from China. Such shift has become apparent with the transfer of manufacturing to Southeast Asia and Northeast Asia. The manufacturing and activities in Southeast Asian region are also increased under the influence of the Taiwanese government's New Southbound Policy. Evermore has gradually diversified away from the Chinese market, transferring operations to Southeast Asian markets such as Vietnam and Thailand. Starting in 2026, the Company will invest more resources in non-Chinese regions, including India, Indonesia, the Philippines, Bangladesh, and Sri Lanka, in order to generate greater revenue and improve profitability.

During early 2018, after Japan AICA invested in Evermore Chemical, the two companies have continued to collaborate closely and achieved outstanding results. Evermore's low-ion crosslinking agent, special non-yellowing crosslinking agent, reactive PU hot-melt adhesive for construction materials, and photocurable monomers and oligomers are able to complement AICA Group's product sales in construction materials, flooring, industrial coatings, automotive, and other related fields. These products have been steadily integrated into AICA's sales channels in Japan, South Korea, and China. In 2026, we will focus on introducing new technologies for targeted products and increasing investment in R&D resources. In addition, Evermore has introduced AICA building material coatings in 2024 and has successfully promoted the sale of such product in the Taiwan construction industry. In 2026, Evermore will focus on developing and selling products in various blue ocean markets to expand the Group's profits.

In response to the growing ESG trend, in 2026, Evermore will follow this trend with greater emphasis on the research and development of green products aligned with environmental, energy-saving, carbon reduction, and recycling needs. We aim to support customers in meeting evolving environmental regulations by adjusting the solvents and reducing their amount in PU resin formulations, to continue achieving sales results and further expand its market reach. Additionally, we will also strengthen our promotion of solvent-free PU systems, reactive polyurethane hot melt adhesives, water-based PU dispersions, TPU granules, and UV-curable products, thereby expanding our marketing efforts into overseas markets to advance toward its goal of sustainable operations.

(III)Technical and R&D Overview:

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

Item	2025	January - March 2026
Consolidated R&D expenses (NTD thousand)	63,248	Note
% of consolidated operating revenue (%)	2.75%	

As of the date of printing of the annual report, there was no financial information for the first quarter of 2026 reviewed by CPAs.

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

2. The technologies or products developed successfully:

A. Non-yellowing supercritical foaming injection grade TPU
B. Low-reflectance UV coating
C. High-performance CPU-based materials for enhancing support and strength of shoe uppers
D. PU resin for fabrication of grinding materials
E. High-transparency TPU material applied to injection shoe materials
F. High explosion-resistant TPU pipe
G. High-performance shoe material ink complying with restricted substance regulations
H. Moisture-curing hot-melt adhesive for system kitchen cabinet
I. High EO number UV monomer applied to 3D printing
J. Development of UV-curing resin for PCB
K. Development of low-temperature crosslinking agent

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

1. Short-term plan:

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

A. PUR:

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

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

In response to environmental demands, we increase investment in research and development and business expansion of high-margin products, including eco-friendly

solvent-based, water-based, and solvent-free systems, and expand market sales to increase operating revenue and profit.

In addition, we strengthen the collaboration with AICA and technology implementation to expand sales of solvent-free PUR adhesives for high-end construction materials in Japan and Korea, further boosting revenue and profitability.

B. CLA:

Following the rise of large competing manufacturers in China, aggressive low-price competition to gain Chinese market orders has caused Evermore's general-grade and low-free yellowing crosslinkers to become uncompetitive in China. Currently, we have reorganized our sales strategy by reducing distribution channels and increasing direct sales to end customers to maintain some sales volume and profitability, and are shifting sales regions to maintain profit margins. In addition, we also strengthen the development of special non-yellowing bridging agents and other specialty chemicals for use in high-end 3C coating bridging agents, in order to increase the sales proportion of non-yellowing bridging agents and to also increase the overall profitability of CLA products. Furthermore, through cooperation with AICA and leveraging its well-established distribution channels in the Japanese market, we are able to achieve stable sales of CLA and specialized CLA products in Japan. This diversifies the risk of having a single market where sales were previously concentrated in China.

C. PUS:

Presently, we gradually focus on the business opportunity as the brand makers are valuing the application of PU to sport shores increasingly, and enhance the cooperation with the well-known brands of Nike, Adidas and Converse, in order to improve PU functionality, and work with OEM shoe factories to improve the process and provide corresponding products, in order to continue soliciting orders stably. In addition, we also increase R&D and sales efforts in the flexible and rigid foam PU system materials market for non-footwear applications. By diversifying the application scope of PU products, we aim to reduce dependence on the footwear sector, mitigate risks and enhance overall operational profitability.

D. TPU:

We have been cultivating the Taiwanese terminal market for a long time, and have established strong relationships with key Taiwanese clients. We provide customized products and services to meet the needs of end users and continuously develop and sell high-performance TPU products to increase sales revenue and profitability. Accordingly, we aim to further strengthen our market share of fine-bore TPU in Taiwan. In addition, we also simultaneously develop and sell injection-grade TPU products for shoe materials, hand tools, and mobile phone cases, increasing TPU sales in diverse applications and in order to increase revenues and operational profitability. In addition to traditional injection molding and extruded pipe TPU products, we have also developed advanced, market-leading products such as non-yellowing polyether-hydrolysis-resistant TPU and supercritical foam. In 2026, efforts will be intensified to promote these products in the market, providing end-users with innovative solutions essential for their future transformation and upgrades.

E. UV:

The Company will maintain its traditional sales of UV monomers and oligomers, continuing to focus on core markets such as Taiwan, China, Japan, Vietnam, and Thailand, Indonesia, Egypt, and South Korea. In addition, efforts will be strengthened to expand the sales of full-coating and spot-coating products for screen printing in other overseas markets, including Indonesia, the Philippines, Bangladesh and Sri Lanka. Meanwhile, we strategically collaborate with AICA and various subsidiaries to shift the traditional UV products to the mainstream industrial fine chemicals for vehicles, medical devices and 3C products to increase business profit and to continuously achieve product application transformation.

F. PE:

Leveraging its long-term experience in the synthesis and mass production of polyester polyols (PE), the Company sells PE products to business operators in the same industry. Sales of bisphenol A-based polyester polyol products have reached a significant level in Taiwan, and the products have recently been certified by Japanese clients. In 2026, sales will gradually expand into the Japanese market to increase revenue and factory production utilization. Additionally, high-molecular-weight polyester plasticizers have been increasingly accepted by end customers in recent years, achieving year-over-year growth in sales volume.

2. Long-term plan:

In response to the increase of environmental awareness, ESG has become an essential part of corporate governance. Demand for energy-saving, carbon reduction, environmental protection, and recycling products continues to rise, and has become an essential undertaking for Evermore Chemical. Evermore's core competency is based on polyurethane chemical reactions. We have previously completed the carbon inventory for Scope 2 and, starting in 2025, the inventory has been gradually expanded to cover Scope 3. We also quickly and actively adjust product formulations and combinations to meet market demands and expectations. We aim to deepen our focus on two key areas: green and sustainable polyurethane resin products and specialty chemical precision coating. Leveraging our foundational core technology, we are gradually expanding into industrial applications including building materials, consumer electronics, semiconductors, optics, medical equipment and automotive.

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

A. Deepen cooperation with AICA, introduce technology, and expand sales in the high-end markets of Japan and South Korea, in order to maximize mutual benefits.

B. Continue to research and develop low-energy processes, recyclable products and carbon-reduction technologies to align with market trends and to secure a leading position.

C. Occupational safety is our top priority, and we continue to improve and optimize our manufacturing processes, reduce process risks and energy consumption, and fulfill our corporate social responsibility.

D. Continue to invest in sales and development in Northeast Asia, Southeast Asia, the Middle East, Europe and the Americas, in order to diversify market risks.

II. Production and marketing situation

(I) Market analysis:

1. Main product sales region:

Evermore is a synthetic resin and fine chemical manufacturer specializing in PU and related products. We have been adjusting the product marketing structure and undergoing transformation in response to the evolving market, industry and environment. The Company has achieved positive development in diversity of products or expansion of application fields and sales regions, allowing Evermore to continue to head towards sustainability.

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

Unit: NTD thousand

Amount / Territory	2024		2025	
	Sales value	%	Sales value	%
Domestic	1,041,802	39%	950,274	41%
China	594,531	23%	469,950	21%
Others	1,009,758	38%	883,265	38%
Total	2,646,091	100%	2,303,489	100%

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

(1) Market share:

The sales of Evermore Chemical's products remain diversified and flexible, and we continue to expand our business into different application industries and overseas sales regions, covering a wide range of downstream industries and areas. Following a long period of competition and environmental upgrades, the PUR series products currently face sluggish supply and demand due to weak economy in Taiwan's textile coating and lamination sectors. However, Evermore's long-standing presence in Taiwan is advantageous in maintaining a roughly 20% market share for PUR products domestically. PUR products have also been extended to markets in Vietnam, Thailand, Indonesia, India, Japan, and Belgium, increasing overall sales volume. Crosslinking agent (CLA) products are primarily manufactured by well-known companies in Taiwan. However, competition from low-priced Chinese products has made sales difficult in China and Vietnam. Evermore's crosslinking agents remain competitive in Taiwan, holding approximately 30% of the domestic market share. Evermore is one of the few manufacturers of polyurethane shoe material foaming systems (PUS) in Taiwan. Shoe material production companies largely base their R&D operations in Taiwan while manufacturing overseas. As a result, Evermore's PUS collaborates closely with brands to develop suitable polyurethane systems for production at overseas facilities. Current sales

regions include China, Vietnam, Thailand, Indonesia, and India. Driven by growing environmental awareness, demand for organic solvent-free thermoplastic polyurethane pellets (TPU) is increasing rapidly, and competitors are actively expanding TPU production capacity. Evermore has cultivated a strong position in Taiwan, with sales advantages in both the extrusion fine pipe and injection molding markets, currently holding around 20% of the domestic market share. In addition, we have also gradually expanded its overseas sales, reaching Thailand and India, with sales volumes steadily increasing. The main UV light curing manufacturers in Taiwan are Changxing, Guojing, and Kesi Innovation, with numerous overseas suppliers, particularly from Korea and China, competing on price. Evermore's UV products currently hold only about 12% of the Taiwanese market share.

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

The terminal applications of Evermore Chemical's polyurethane (PU) and UV curing related products are closely linked to consumer goods. Global inflation has eased significantly in 2025, but US tariffs continues to cause substantial volatility in overall terminal demand. This led to cautious and reduced terminal consumption, resulting in a significant decline in end demand. A gradual and slow recovery is expected in 2026. For the first half of 2026, Evermore Chemical will continue to adjust the sales strategies based on end-market demand, actively pursue orders to maintain factory production capacity, increase revenue, and ensure a certain level of profit for the Group. Simultaneously, we will intensify its overseas product promotion and sales efforts to diversify regional risks and aggressively expand the research and development and sales of high-value green products, aligning with the growing ESG trend in the industry. This strategic approach aims to meet the growing demand for environmentally friendly products across various sectors in the second half of 2026, thereby gradually advancing our sustainable transformation and long-term development.

3. Competitive niche

(1). Integration of key raw materials is relatively high, and the scale of Evermore is larger than others in the same industry, which increases our purchasing advantages through the Group purchasing.

(2). We have an extensive experience of 37 years in R&D, production, sales and technical services, and have established strong customer partnerships with high customer satisfaction.

(3). A wide variety of green products, such as solvent-free and UV-curable products, allows the Company to better meet customers' environmental requirements.

(4). Significant capital expenditure continues to be invested in the R&D team to strengthen the Company's capabilities and to address evolving product development needs in the dynamic industry environment.

(5). We have an extensive history of OEM experience with major international manufacturers, allowing us to accumulate professional technology, production and management expertise, and effectively control costs, thereby enhancing the competitiveness.

(6). Product diversity and application in a wide range of fields have made the Company relatively resilient to significant impacts from adverse factors in any single market environment.

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

(1) Positive factors:

A. Compared to other business operators in the same industry, Evermore has a more diversified product portfolio and a wider range of downstream industry applications, resulting in relatively lower operational risks.

B. Due to the increase of environmental awareness, and sales of environmental products, including energy-saving, carbon-reducing, and solvent-free products, have risen year by year, aligning with current trends.

C. The sales offices in Southeast Asia (Vietnam, Thailand, India, etc.) and Northeast Asia have proven effective, helping to diversify the Group's operational risks.

D. Product applications have expanded from daily chemicals to paints & coatings and precision coating applications, creating diversified business operations.

E. Strengthen cooperation with AICA of Japan, continue to import advanced technologies, and continue to promote and sell new products for expansion into new markets.

(2) Negative factors:

A. Prolonged downturn in China's economy and severe involution leading to a harsh operating environment:

The severe US-China trade war and tariff barriers have led to ongoing involution in the Chinese economy. The supply of various chemical products significantly exceeds demand, making Evermore's operations in China increasingly challenging.

Response policy: In response to the global trend of de-sinicization, we will continue to increase localized production, supply, sales, and service at our Taiwan and Vietnam plants, to strengthen our "Local for Local" service approach, and to expand our sales operations in Thailand. We will leverage operations in Taiwan, Vietnam and Thailand to penetrate other Southeast Asian markets, such as: India, Indonesia, the Philippines, Bangladesh, and Sri Lanka, more directly and quickly .At the same time, we will also strengthen cooperation with AICA to increase sales in Japan and South Korea, and to gradually shift production and sales away from China to other locations. Meanwhile, the Company will focus on R&D of differentiated products and development of high-end products to maintain its growth and sustainability at the same time.

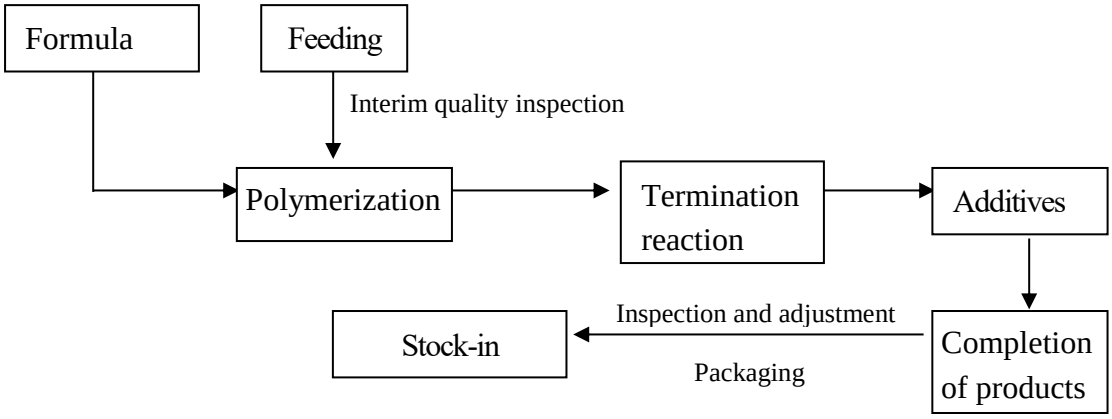
B. The emergence of equivalent tariff barriers under the U.S President Trump's administration and the gradual escalation of global geopolitical conflicts have caused instability in raw materials markets. Taiwan lacks major domestic production of upstream polyurethane raw materials, such as AA, MDI, and TDI, and relies entirely on imports. Consequently, upstream raw material suppliers have shown decreasing attention and support for the Taiwan market in recent years, directly reducing the profits of enterprises.

Responsive measure: To address such issue, we coordinate Evermore's subsidiaries to jointly negotiate with upstream raw material suppliers as a group to enhance our bargaining power. At the same time, we also develop strategic alliances with upstream and downstream partners to foster closer collaboration and secure favorable terms.

(II) Uses and production processes of main products

The PU resin produced by the Company is mainly supplied for the coating and lamination of synthetic leather, split leather, and various textile fabrics, and for use in paints and inks, shoe adhesives, and other consumer chemical industries. Polyester polyols are mainly supplied for industrial applications such as PU synthetic resins and TPU synthesis. Shoe foaming system materials (PUS) are mainly supplied to well-known brand OEMs for the production of outsoles, midsoles, insoles, and accessories. TPU is mainly supplied for precision pneumatic tubing, injection power tools, shoe materials, and cell phone accessories. Light-curing products are mainly supplied for the production of optics, hard coatings, and paper coatings.

Production process of main products:



(III) Supply of main raw materials:

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

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

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

Unit: NTD thousand

	2024				2025				Up to the end of Q1 of 2026 (Note 1)			
Item	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the net procurement amount ending until Q1 of the year (%)	Relationship with the issuer
	Supplier N	218,844	13	None.	Supplier N	178,769	13	None.	N/A			
	Others	1,507,486	87		Others	1,216,822	87					
	Net procurement	1,726,330	100		Net procurement	1,395,591	100					

Note 1: As of the date of printing of the annual report, if a TWSE/TPEx listed company or a company whose shares are traded on the business premises of securities firms has the latest financial information audited and certified or reviewed by certified public accountants, such information shall also be disclosed. As of the date of printing of the annual report, there was no financial information for the first quarter of 2026 reviewed by CPAs.

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

Unit: NTD thousand

	2024				2025				Up to the end of Q1 of 2026(Note 1)			
Item	Name	Amount	To the annual net sales amount (%)	Relationship with the issuer	Name	Amount	To the annual net sales amount (%)	Relationship with the issuer	Name	Amount	To the net sales amount ending until Q1 of the year (%)	Relationship with the issuer
	Others	2,646,091	100		Others	2,303,489	100		N/A			
	Net sales	2,646,091	100		Net sales	2,303,489	100					

Note 1: As of the date of printing of the annual report, if a TWSE/TPEx listed company or a company whose shares are traded on the business premises of securities firms has the latest financial information audited and certified or reviewed by certified public accountants, such information shall also be disclosed. As of the date of printing of the annual report, there was no financial information for the first quarter of 2026 reviewed by CPAs.

Note2: The Company's sales amount and ratio vary depending on the major customers' market shares. For 2024, 2025 , none of the operating revenues from any single customers accounted for more than 10% of the Company's total consolidated operating revenue.

III. Employees

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

Year		2024	2025	Up to March 31, 2026 for the current year
Number of employees	General staff	252	243	243
	Direct staff	122	121	120
	Total	374	364	363
Average age		42.09	42.48	42.35
Average service seniority		10.10	10.72	10.58
Academic background percentage	Doctor	1%	1%	1%
	Master	8%	7%	7%
	College/University	59%	60%	61%
	Senior high school	24%	24%	24%
	Below senior high school	8%	8%	7%

Note: Said employees include various subsidiaries' employees.

IV. Information about the expenses of environmental protection:

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

1. In 2025 and as of the publication date of the annual report, there was no loss due to violations of environmental protection laws and regulations caused by environmental pollution.
2. The Company always emphasizes corporate social responsibility as a core value and is committed to achieving balance between economic development and environmental protection. To implement sustainable operation goals and to build a comprehensive advanced pollution prevention system:
   - 2.1 Comprehensive prevention and control technology: The facility is equipped with a liquid-injection incinerator, a high-efficiency wastewater treatment system, and a biological filter bed for organic volatile organic compounds (VOCs) to monitor air pollutants at the source and treat them at the terminal end.
   - 2.2 Enhanced operational management: The treatment efficiency of pollution prevention equipment is maximized through standardized operating procedures and digital monitoring.

2.3 Exceeding regulatory standards: We value regulatory compliance as the fundamental requirement, and we continuously optimize equipment processes and processing capabilities to ensure that pollutant testing in emission stacks remains below environmental protection standards.

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

3.1 Implementation results in 2025:

A. Continue to promote garbage classification; the recycling of PE class waste achieved 4,430 kg in 2025 to reduce the output of the waste from wasted plastic mixture.

B. Develop and research green products and promote green products within the range of alternatives in line with global environmental trends. The sales revenue of green products accounted for 58.8% of annual sales in 2025. (9116662/1549281)

C. Review and promotion of energy saving and carbon reduction solutions:

a. The implementation of the solar power for the plan was carried out in phases and completed on June 30, 2024. The results for 2025 are as follows:

(a) Phase I: 99KW solar panel installation on Warehouse No. 6, generating 121,566 kWh of electricity.

(b) Phase II: 170KW installation on Plant Section 3, generating 207,088 kWh of electricity.

b. The cooling tower's heat dissipation sheets are replaced to improve cooling performance, and the cooling water inlet temperature is estimated to be reduced by 3°C, and power savings is estimated to be 33,570 KW.

3.2 Future concrete actions:

A. Continue to recycle PE film to reduce the waste output of waste plastic mixture.

B. Actively invest in the R&D of green products to align with the global trend of environmental protection and sustainability. Through the adoption of eco-design, we systematically expand the range of eco-friendly products, demonstrating our leading competitive edge in environmental protection through concrete actions.

C. While holding our commitment to global net zero emissions, despite that we have not yet reached the statutory inventory threshold, we still proactively conduct voluntary greenhouse gas inventory (Scope 1, Scope 2) to establish our carbon emission baseline. We will continue to plan concrete reduction paths and to establish climate resilience, in order to strengthen corporate sustainability.

V. Relations between laborers and employer

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

1. Employee benefit plans:

(1) In order to provide the employees with welfare, the Company contributes the welfare fund pursuant to laws, and have the representatives of laborers and employer form the Workers' Welfare Committee in charge of disbursement of the welfare fund and implementation of the following measures: (1) Domestic/overseas travel for employees; (2) Season and festival gifts to employees; (3) Marriage, funeral and festive subsidy for employees; (4) Allowance and subsidy for employees' injury, sickness and hospitalization; (5) Birthday

celebration for employees; (6) Purchase of the sport facilities for table tennis, billiard balls and basketballs, et al.; (7) Subsidy for various club activities. The total expenditure for various activities organized by the Employee Welfare Committee in 2025 was NT$3,256 thousand.

(2) The Company has formulated the "Employee Proposal Incentive Regulations" to encourage employees to care about anything that can be improved in their own working environment; the effect will be observed and scored. The effect-improvement bonus is rewarded. The Company had a total of 6 employee proposals in 2025.

(3) The Company has formulated employee health management procedures with reference to the Labor Health Protection Rules, and cooperated with hospitals to implement on-site services for health promotion at the factories. Pursuant to the regulations, the nurses visit four times a month and physicians once a quarter. Persons to be tracked were selected from the health examination results for follow-up health promotion. For pregnant female employees, the Company allows them to dress in casual clothes for convenience. During the on-site services, the maternity counseling is arranged to monitor physical changes during the early, interim, and later stage of the pregnancy, to establish psychological support, and provide pregnancy information. The factories have a breastfeeding room for female employees who have returned from childbirth. Employees' physical recovery is tracked during maternity counseling period, and information on health care of newborn is provided.
The Company's implementation in 2024: There were 114 people receiving occupational nursing health examination counseling, and 1 person received maternal protection through interviews with doctor/nurse, and health instructors.

(4) Flexible working hours: Employees who need family care are provided with flexible working hours; they also adjust their time leaving office so that they can get off work earlier to avoid traffic peaks and improve traffic safety when commuting.

(5) Leaves: Employees of the Company are entitled to official leave, work injury leave, personal leave, sick leave, marriage leave, bereavement leave, maternity leave, paternity leave, childcare leave, and leave of absence without pay. In 2025, the total of 2 employees took parental leave and leave of absence without pay.

(6) Occupational safety and health: Evermore arranges annual health examinations for all employees. The frequency and details of the examinations are better than the current regulatory standards. Examination items are selected based on the nature of work and potential risk exposure of each employee.
In accordance with occupational safety and health-related laws and regulations, the Company has formulated relevant internal management regulations such as "Forklift Operational Procedures, Electric Vehicle Management Regulations, Regulations on the Use of Personal Protective Equipment, 6S Promotion Procedures," and other internal management regulations, to implement workplace risk assessments. By requiring the safety as the nature, the working environment, machinery and equipment, and public facilities are improved actively to ensure a safe working environment for employees.
The Company distributes safety protection equipment based on workplaces and job duties, including helmets, safety shoes, goggles, safety skirts, earplugs, gloves, activated carbon masks, reflective vests, etc. The regulations of use are formulated to ensure the personal safety during work, and reduce and avoid the health and safety hazards.
The Company's implementation in 2025: 190 people for health examination, and NT$931 thousand for procuring safety protection equipment.

(7) The Company has established an employee stock ownership trust system to encourage long-term savings of employees. The Company contributes a bonus equal to 20% of the total monthly deposits made by members.

2. Continuing education and training of employees:

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

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

Status of the Company's educational training in 2025:

Number of person	Hours	Expenses incurred
1,510 people	4,631 hours	NT$1,516 thousand

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

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

3. Retirement system:

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

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

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

4. Labor-management agreement:

The Company's labor-management meetings are organized by employees' representatives and the Company's designated management representatives. Regular and irregular labor-management meetings are held. During the meetings, both labor and management coordinate to create a win-win situation for the employees and the management. A total of 4 meetings were held in 2025.

5. Measures for preserving employees' interests and rights:

(1) The Company has established the "Regulations for the Complaint and Disciplinary Measures Regarding Workplace Sexual Harassment and Violation of Equal Employment Measures". In accordance with the Occupational Safety and Health Act, the Company has also implemented relevant procedures to prevent unlawful harm and discrimination in the workplace. With a diverse workforce in terms of gender, the Company is committed to providing employees with a dignified, safe, and inclusive work environment, free from discrimination, harassment, or unequal treatment.

(2) The Company has established the "Operational Procedures of Channels and Protection Mechanism for Whistleblowers," with physical employee suggestion box, and the reporting window and channels on the official website, handled by a dedicated person, for employees to express in diverse manner and fully respects the rights and interests of employees' opinions. In 2025, the Company did not receive any internal suggestions, nor were any whistleblower cases reported in 2025.

(3) In order to remind employees to observe ethical business conducts, the Company has established employee work rules and management regulations, so that employees can better understand their rights and obligations, and avoid misappropriation of property, payment, or other illegal acts that may lead to violations of laws or losses to individuals and the Company.

(4) The Company adopted the Ethical Management Best-Practice Principles and Procedures for Ethical Management and Guidelines for Conduct upon approval of the Board of Directors, in order to build the enterprise culture upholding ethical management and also good business operation framework to help the Company's robust development.

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

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

VI. Cyber Security Management:

(I) Information on cyber security risk management architecture, cyber security policy, specific management solution and resources invested in cyber security management:

1. Cyber security risk management framework:

The Company's information management unit is governed by the Administration Department, and responsible for formulating the information security policies, and reviewing and revising the operating procedures to satisfy the information security standards. Prepare the project plans in order to continue enhancing the measures to mitigate information security risk. Also, in reference to ISO27001 related specifications, we establish the standard information security management criteria, and continue to execute the information infrastructure and information security measures in the spirit of PDCA, in order to ensure the Security, Integrity and Availability of the Company's important information.

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

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

2. Cyber security policy:

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

(1) Manage the cyber security assets effectively, identify the threats and disadvantages, and assess possible risks, in order to take adequate protection measures to mitigate the cyber security asset risk to the minimum.

(2) Ensure that the personnel may access the communication and information system and electronic data to perform duty within the scope of their authority, and prevent any person from accessing or modifying the electronic data without authorization, in order to maintain the security and integrity of information.

(3) The Company's communication and information assets are applied in line with the local laws and social good morals locally.

(4) Establish the disaster prevention strategy and disaster recovery plan for the communication and information assets to ensure the key business continuity in the case of man-made or natural disasters.

(5) Improve all colleagues' awareness toward cyber security, and organize the cyber security education and training.

3. Concrete management programs and measures:

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

(2) Firewall protection: The firewall shall set up the security management and control procedures. The demand for any special connections, if any, shall be requested additionally.

(3) User Online Control Mechanism: Firewall blocks any unnecessary websites (games, violence, pornography and illegal sharing and downloading)

(4) Anti-virus software: The server and user's PC shall be installed with the anti-virus software. The virus code shall be updated automatically on a daily basis.

(5) ERP authority management: Set the authority of access subject to the user ID, and review the authority periodically.

(6) Mail security control: The mail server is equipped with mail anti-virus, spam filtering, and detection of improper mail behavior, in order to prevent malicious mails from causing unexpected harm.
(7) Data backup mechanism: The server and database are set to have complete backup, and back up the data every day. In addition to maintaining the backup server and storing the magnetic tape remotely, the Company will perform the system restoration and storage drill at least once per year.
(8) Control room equipment management: The server is installed in an exclusive control room where the personnel's access is restricted. The control room adopts an independent power supply and is equipped with air conditioner and CO2 fire extinguishers. All servers are connected to UPS and diesel power generation equipment to avoid any damage caused by power outage or abnormal power failure.
(9) Routine protection: Strengthen the awareness promotion or education and training from time to time, in order to improve the colleagues' risk awareness, adjust network information security protection levels and purchase additional equipment for protection, if necessary, from time to time.

4. Investments in resources for cyber security management:

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

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

The resources that the Company invested in 2026 for cyber security management included the upgrade of ERP, mainframe hardware, mail filtering, maintenance of ERP software and ERP database, and Nutanix hyper-converged software and hardware. The total expenditure was NT$5,995 thousand.

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

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

VII. Important contracts

Nature of Contract	Principal	Duration of Contract	Main Contents	Restrictive Clauses
Long-term loan	Bank of Taiwan	2025.10–2030.10	Long-term loan	Per the contract
Long-term loan	Mega Bank	Unused amount	Long-term loan	Per the contract

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

I. Financial status

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

Unit: NTD thousand

Item \ Year	2025	2024	Variance		Analysis on changes
			Amount	%	
Current assets	1,517,715	1,615,118	-97,403	-6.03%	
Property, plant and equipment	1,268,968	1,386,165	-117,197	-8.45%	
Other assets	168,692	278,688	-109,996	-39.47%	(1)
Total assets	2,955,375	3,279,971	-324,596	-9.90%	
Current liabilities	1,240,848	1,428,597	-187,749	-13.14%	
Noncurrent liabilities	162,131	278,271	-116,140	-41.74%	(2)
Total liabilities	1,402,979	1,706,868	-303,889	-17.80%	
Capital	993,880	993,880	0	0.00%	
Capital surplus	98,017	98,017	0	0.00%	
Retained earnings	464,527	466,413	-1,886	-0.40%	
Other equity	-4,028	14,793	-18,821	-127.23%	(3)
Treasury stock	-	-	-	-	
Non-controlling equity	-	-	-	-	
Total equity	1,552,396	1,573,103	-20,707	-1.32%	

1. Notes to cause of changes by more than 20%:
   (1) Caused by the reduction of right-of-use assets resulting from the sale of the subsidiary SUCCESS.
   (2) Caused by repayment of long-term borrowings.
   (3) Affected by the exchange rate, the exchange difference loss in the translation of financial statements of foreign operating institutions becomes larger.

2. Effect: No significant effect was produced, as it was a normal condition.

3. Measures to be taken in response: N/A.

II. Financial performance

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

Unit: NTD thousand

Item \ Year	2025	2024	Increase (decrease)	Change (%)	Analysis on changes
Operating revenue, net	$2,303,489	$2,646,091	-342,602	-12.95%	
Operating costs	(1,885,834)	(2,176,756)	290,922	-13.36%	
Gross profit	417,655	469,335	-51,680	-11.01%	
Operating expenses	(365,439)	(362,567)	-2,872	0.79%	
Operating profit	52,216	106,768	-54,552	-51.09%	(1)
Non-operating revenue and expenditure	47,716	21,366	26,350	123.33%	(2)
Net profits before tax	99,932	128,134	-28,202	-22.01%	(1)
Less: Income tax expenses	(22,308)	(31,721)	9,413	-29.67%	(1)
Net income	77,624	96,413	-18,789	-19.49%	
Other comprehensive income	(18,821)	28,730	-47,551	-165.51%	(3)
Total comprehensive income	$58,803	$125,143	-66,340	-53.01%	(3)
Net income attributed to the owner of parent company	$77,624	$96,413	-18,789	-19.49%	
Comprehensive income attributed to the owner of parent company	$58,803	$125,143	-66,340	-53.01%	(3)

1.Notes to cause of changes by more than 20%:

(1) The increase in expected credit impairment benefits compared to the current period is due to the recovery of overdue payments last year.

(2) The current period's income is due to the disposal of investment income from the subsidiary SUCCESS.

(3) Affected by exchange rate changes, the exchange difference in the translation of the financial statements of foreign operating institutions becomes larger, resulting in losses in other comprehensive profits and losses due to the exchange differences in the translation of financial statements of foreign operating institutions.

2. Sales volume forecast and the basis thereof, and the effect upon the Company's business and finance, as well as the measures to be taken in response:

Please refer to One. Letter to Shareholders herein

III. Cash flow

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

Year Item	2025	2024	Increase (decrease) (%)
Cash flow ratio (%)	17.13%	16.69%	2.64%
Cash flow adequacy ratio (%)	90.82%	93.15%	-2.50%
Cash reinvestment ratio (%)	4.53%	5.27%	-14.04%
Notes to increase/decrease (%): none			

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

(III) Analysis on liquidity for the coming year (2026)

Unit: NTD thousand

Balance of cash, beginning (1)	Projected net cash flow from operating activities for the year (2)	Projected cash inflow (outflow) of the year (3)	Projected cash balance (deficit) (1)+(2)-(3)	Corrective measures against insufficient cash position	
				Investment plan	Wealth management plan
393,681	178,959	(179,633)	393,007	_	_
Analysis on changes of cash flow for the coming year: Maintain stable operations, reduce inventory, and increase the turnover rate of accounts receivable to generate cash inflows from operating activities; Cash outflows arise from repayment of borrowings, continuous investment in equipment, etc.					

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

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

1. Investment policy: The Company takes the market and availability of raw materials into account and adopts the investment policy based on its entire business plan.
2. Please refer to the operating profiles of related companies in the special items for the profit or loss of the investment. In 2025, both revenue and costs declined, leading to a decrease in gross profit and net profit. In the future, the Group will continue to effectively allocate resources to maintain overall operating performance and stable growth and profit.
3. Investment plans in the next year：The company promotes sustainable development, The construction of equipment for process improvement, energy consumption reduction, and solar energy equipment is underway.

VI. Analysis and assessment on risk issues:

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

1. Interest rate fluctuation: This year’s interest expense is NT$22,615 thousand dollar, accounting for 0.98% of the entire year’s net revenue. Interest expenses

increased slightly compared to 2024. It is expected that the interest rate may rise in the next year, However, interest expense is expected to remain flat due to the reduction in borrowing amount. In addition to actively looking for funds with low interest rates, the company also arranges to repay loans with higher interest rates to reduce interest expenses. the amount.

2. Foreign exchange rate fluctuation: Net exchange benefit for the year was 19,483 thousand , which was mainly affected by the fluctuations of the RMB against the U.S. dollar and the New Taiwan dollar against the U.S. dollar. In the future, it is estimated that the fluctuations of NTD/USD and RMB/USD will be relatively small compared with last year, and the estimated exchange gains and losses will not be large. The company estimates the net position of foreign currency revenue and expenditure as a natural hedge, and purchases and exports of raw materials denominated in foreign currencies The amounts are adjusted to each other, and the actual impact is still within the controllable range.
3. Inflation: The Company's market segment was categorized into domestic marketing and export. In 2015, inflation or deflation in both the domestic and export markets led to a decline in revenue and a drop in operating profit.The Company maintained fair interactive relationship with suppliers, and adjusted its operating strategies subject to the degree of inflation or deflation to mitigate the adverse effect produced on the Company therefor.

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

(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading during the most recent year and until the date of publication of the annual report, main causes of profit or loss incurred and future responsive measures:
The Company managed its finance in a conservative manner and never engaged in any high-risk or highly leveraged investments and derivatives trading. Meanwhile, the Company complied with the competent authority's requirements when loaning to others or making endorsements/guarantees.

(III) Future R&D plans and expected R&D expenditure:
1. For the Company's future R&D plans, please see the technology identified in the descriptions of business and overview of R&D in Five. Overview of Operations herein.
2. The company expects to invest approximately 2.76% of its revenue in research and development in the future.

(IV) Impact on the Company's business and finance due to changes in domestic or foreign policies and laws, and responsive measures:
The Company's operations complied with the related policies and laws, and no impact was produced on the Company's business and finance.

(V) The impact of technological changes (including information security risks) and industrial changes on the company's financial business and countermeasures:
In recent years, there has been no major impact on the company's financial business due to technological changes (including information security risks) or industrial changes.
With the diversification of the use of information technology, the risk of information security is increasing. The company continues to assess the possibility of

risk threats, and continuously updates, increases or builds relevant information risk prevention equipment or software.

(VI) Impact on crisis management in the event of a change in corporate identity, and responsive measures:
The Company upheld the management philosophy emphasizing ethical management and profession. No impact has produced on the Company's crisis management due to a change in corporate identity during the most recent year.

(VII) Expected benefits and possible risks of merger and acquisition, and responsive measures: None.

(VIII) Expected benefits and possible risks of facilities expansion, and responsive measures: None.

(IX) Risks and responsive measures associated with concentrated sales or purchases:
1. Purchase: The sources of the Company's raw materials were primarily international leading manufacturers. Meanwhile, the Company worked with multiple excellent vendors to assure the quality of raw materials and supplies and mitigate the risk over supply shortage or disruption at the same time.
2. Sale: The Company dispersed its sales and, therefore, there was no likelihood of concentrated sales.

(X) Impact and risk on the Company due to major transfer or conversion of equity by directors, supervisors, or shareholders with more than 10% ownership interest, and responsive measures:
According to the available information, no large-scale transfer or replacement of shares of major shareholders has been found to have an impact on the company.

(XI) Impact and risks on the Company due to a change of the right of management: None.

(XII) Major litigations and non-contentious cases: Please describe the major litigations or administrative litigations involving the Company or any director, supervisor, President, person-in-charge or major shareholder with more than 10% ownership interest of the Company, whether concluded or pending judgment, that are likely to pose significant impact on shareholders' equity or security prices of the Company, and also disclose the facts in dispute, the amount involved, the date the litigation started, the key parties involved, and progress until the publication date of the annual report: None.

(XIII) Other material risks and responsive measures: None.

VII. Other important notes: None.

Six. Special Disclosures

I. Information about affiliated enterprises：
Please refer to the Market Observation Post System (MOPS) https://mopsov.twse.com.tw/mops/web/t57sb01_q10 > Single Company > Electronic Document Download > Affiliated Enterprises Reports Section. Enter the company code to search for related information.

II. Private placement of securities during the most recent year and up to the date of publication of the annual report: None.

III. Other supplementary disclosures: None.

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