

Stock Code: 1304

USI Corporation
2025 Annual Report

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

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

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

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

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Chapter 1. Letter to Shareholders

Dear Shareholders,

Looking back at 2025, the Company's consolidated annual revenue reached NT\$44.17 billion, a decrease of NT\$6.84 billion compared to the previous year, achieving a budget fulfillment rate of 82%. The Company's consolidated pre-tax net loss was NT\$7.022 billion, an increase of NT\$1.504 billion compared to the previous year's pre-tax net loss. The consolidated post-tax net loss was NT\$6.41 billion, an increase of NT\$2.782 billion compared to the budgeted post-tax net loss. The portion of the post-tax net loss attributable to the Company's shareholders was NT\$2.791 billion.

2025 Business performance:

Sales and Marketing:

The global petrochemical industry is still facing severe challenges this YEAR. Due to the effects of reciprocal U.S. tariff policies, the pressure on supply chain restructuring has intensified, and the advantage of U.S. shale gas ethane has compressed the profit margins of naphtha cracking plants, leading to a decline in ethylene prices. On the supply side of petrochemical products, however, due to the continued large-scale expansion of Mainland China's petrochemical industry, there is an oversupply of products. Coupled with the China-U.S. trade war triggering sustained price competition, this has suppressed overall market conditions in the Asian plastics and chemicals market. At the beginning of the year, the market was concerned about the impact of new EVA production capacity in Mainland China. Downstream customers, overly pessimistic about the market outlook, continually reduced their inventory levels. On the demand side, the rush to meet photovoltaic grid connection deadlines stimulated component manufacturers to expedite orders, which led to a stabilization and rebound in EVA prices in Q1. In early April, the U.S. announced reciprocal tariff policies, severely impacting downstream customers of PE and EVA, especially for some brand shoe manufacturers whose primary market was North America, as their supply chain nearly came to a standstill. By mid-June, with the outbreak of the Iraq War and the U.S. finalizing tariff policies with various countries, the downstream market began to regain momentum after several months of adjustment, stabilizing EVA prices. From early August to the end of September, increased photovoltaic demand led to another rebound in EVA prices. However, in Q4, with new production capacity coming online in Mainland China and South Korea, the market turned downward again. Total EVA sales for the year were 211,000 tons, representing a 4% increase compared to the previous year, though the price declined by 6%. In terms of HD/LD/LLD, the sales volume was 130,000 tons, which is a 2% decrease compared to the previous year, and the price declined by 6%. For ABS/PS products, overall demand was sluggish, further exacerbated by excess ABS capacity from Mainland China intensifying competition. While stable demand in South Asian markets such as India and Pakistan helped offset market gaps, sales volume in November nonetheless decreased by 5% year-on-year, primarily due to the impact of the

withdrawal of India's BIS. Although GPS products continued to expand into markets such as Southeast Asia, the Middle East, Africa, and Central America to broaden the sales footprint, sluggish global economic growth led to a 2% decline in sales volume year-over-year. Regarding EPS products, although efforts to broaden market reach have demonstrated effective results, sales volume nonetheless decreased by 6% year-on-year, as an increase in low-priced EPS exports from Mainland China intensified aggressive price competition. In the Vinyl Chain segment, the export of excess capacity from Mainland China for competitive sales has dragged down global PVC prices and compressed PVC profit margins. With the year-end cancellation of ADD/BIS in India, PVC prices further declined, and VCM prices fell to a five-year low. PCV, after deducting the quantity for own use for producing downstream processed goods, saw an export of 233,000 tons, down 16% from the previous year. In chemical products, the imposition of tariffs in North America affected traditional industries' operating rates, leaving demand supported mainly by electronics and semiconductor manufacturers. Additionally, low-cost competition from China eroded the domestic market share, suppressing caustic soda prices. The annual output of chemical products was 64,000 tons, with sales of 58,000 tons, representing a 1% decrease compared to the previous year. Regarding in-house processed PVC powder products, sales of building materials declined to 14,000 tons, affected by domestic labor shortages in private construction, rising raw material prices, and the central bank's housing loan credit control policies, leading to a downturn in housing market sales, project proposals, and construction starts, representing a 12% decrease compared to the previous year. Sales of adhesive tape products declined due to unclear tariffs in North America, low-cost competition from China, and the effects of fire damage in Quarter 4 of 2024. Meanwhile, sales of PVC leather products were affected by increased tariffs in North America, leading to early market stocking and a sharp decrease in demand in Quarter 4, resulting in a decline in sales volume. The iron core business benefited from rapid growth in server applications, with continuous growth in demand for applications such as AI, 5G communication/servers/data storage, driving an increase in passive component demand and boosting revenue. The sales volume for the year was 8,000 tons, representing a 15% increase compared to the previous year. In terms of SiC products, sales of SiC power components did not meet expectations due to the slowdown in demand from the European and American electric vehicle markets. However, there has been proactive progress in the development of high-purity SiC ceramic products. The sales volume for the year was 95 tons, representing a 24% decrease compared to the previous year.

Production Management:

To implement energy saving and carbon reduction programs, the cumulative grid-connected capacity of the invested solar energy field has reached 9.04 MW, generating about 1,130.3 million KWH of renewable power every year, and contributing about 5,583 tons of carbon dioxide equivalent to carbon reduction, so as to achieve the Company's sustainable development and carbon reduction goals. Continuously improve production process, replace old equipment, improve production efficiency and quality to reduce production cost, and actively trial production of niche products. Actively improve work safety and environmental



protection, and promote process safety management to ensure the safety of plant and operating environment.

Corporate Social Responsibility:

Guided by the core philosophy of "Creating Sustainable Value and Building a Sustainable Society Together," the Company continues to promote ESG strategies, actively responding to environmental and social challenges while integrating sustainability thinking into business operations and decision-making. The Company has set a 2050 carbon neutrality goal, promoting energy transition and energy-saving and carbon reduction actions, including in-house solar power generation and green electricity procurement planning. In 2025, green procurement also included 478.8 kW of solar power equipment and several energy-saving improvement projects, with the related investment amount exceeding NT\$50 million. In addition, the Company completed the donation for the NTU Experimental Forest's 5-hectare afforestation adoption project, achieving an annual carbon sequestration of approximately 50 metric tons CO_{2e}. It also participated in the Ministry of Economic Affairs' "Supply Chain Low-Carbon Transformation Guidance Program," achieving a concrete result of reducing 13,113 metric tons of CO_{2e} in collaboration with customers and their supply chain partners over the past two years. In the future, the focus will remain on refining energy-saving and carbon-reduction measures. The mid-term will focus on transitioning to low-carbon energy, improving energy efficiency, implementing smart monitoring, and the installation and utilization of renewable energy. The long-term strategy will pay attention to low-carbon fuels, carbon capture and utilization, and negative emission technologies, steadily progressing towards the goal of carbon neutrality. In the practice of social responsibility, the Company has long been committed to community care and talent cultivation. It has continuously participated in the adoption of the air quality purification zone at Renwu Special Education School, promoted industry-academia collaboration with Renwu Senior High School, and provided local employment opportunities. In addition to donating NT\$3 million to the Alliance Cultural Foundation for various cultural and art activities, the Company also supports disadvantaged groups, rural education, and environmental conservation through the USI Education Foundation, establishing scholarships and sponsoring charitable organizations.

Research and Development:

For high VA EVA products, we continue developing applications in ink, high-end foamed shoe materials, and wire & cable. Our specialty-grade EVA has achieved a significant breakthrough in the wire and cable market. R&D efforts remain focused on optimizing the production process for optical-grade cyclic block copolymers and developing new grades, targeting high-heat-resistant applications in electronics, high-value-added optical lenses, and premium transparent tubing. In the promotion of CBC business, preliminary tests for new energy power applications and major customers of optical lenses have been completed. The application of food packaging film has gained a firm foothold and continues to expand toward the European and American markets. The semiconductor carriers have been certified by

customers and are being delivered steadily. Due to the excellent performance of CBC material in deep ultraviolet sterilization applications, it has successfully entered leading mainland automotive brands and medical applications. Simultaneously collaborating actively with internationally renowned brands to develop applications in products such as sterilizing water pitchers. Develop high-gloss ABS materials and EPS products for rapid prototyping applications.

Comprehensive Annual Operating Performance:

Operating Performance for the Year: Due to a decline in selling prices and reduced product margins, the Company's profitability decreased. The consolidated operating loss was NT\$2.65 billion, representing an increase in operating loss of NT\$640 million compared to the previous year. In addition, the consolidated non-operating net loss amounted to NT\$4.37 billion, which included losses from associates and joint ventures accounted for using the equity method.

Overview of 2026 Business Plan and Strategic Planning for Future Development:

Looking ahead to 2026, in the first quarter, Mainland China's cancellation of export tax rebates for photovoltaic products on April 1 stimulated inventory replenishment among module and film manufacturers. Consequently, EVA prices rebounded after early January. Furthermore, continued geopolitical uncertainties, including the ongoing Russia-Ukraine war, have prompted downstream PE and EVA customers to restock inventories. Although Mainland China has introduced "anti-internal competition" (anti-infighting) policies, over 1 million tons of new EVA capacity are still expected to come online this year, likely intensifying market competition. To mitigate the impact of excess capacity in Mainland China, the Company has strategically shifted its market focus toward Southeast Asia, South Asia, and other regions in recent years, while actively expanding into differentiated and high-value-added products. Additionally, the new ethylene storage tank at the Intercontinental Phase II terminal will soon commence operations, enabling the Company to secure low-cost feedstock, reduce production costs, and enhance competitive advantages to drive sustainable development and growth. To ensure operational performance, ABS/GPS/EPS products will continue to maintain the business strategy of full production and full sales while continuously optimizing the customer portfolio. At the same time, through "integrated supply chain management," we effectively control the reasonable inventory levels of raw materials and finished products to avoid market price fluctuations from impacting the company. Mainland China's economy still faces multiple pressures. It is expected to stimulate domestic demand through proactive policies, implement anti-involution policies (cancellation of export tax rebates), and eliminate outdated PVC production capacity, which will help improve the PVC operating environment. Although the conflicts in the Middle East disrupt PVC trade flow, demand from emerging markets such as India, Southeast Asia, Africa, and Central and South America is expected to grow. The overlapping slot update is estimated to expand the production technology and sales of special products. Strategic ESG new products, environmental protection materials, ISO 14021/PCR low-carbon building materials, and ISO 14021/PIR low-carbon adhesive tapes demonstrate operational effectiveness. Despite the severe impact of Mainland China's oversupply in



petrochemicals, the Company remains committed to the principle of aggressive action in good times and resilience in adversity. We are advancing corporate transformation through upgrading outdated, energy-intensive equipment and promoting AI-driven smart technologies to optimize processes and improve energy efficiency and operational management. In terms of energy saving and carbon reduction, promote ESG compliance to strengthen corporate resilience. In response to climate change, the production line will accelerate the adoption of environmentally friendly processes, reduction, and recycling. The full-year sales targets are projected at approximately 356,000 tons for PE/EVA, 420,000 tons for the Vinyl series and its downstream products, 427,000 tons for ABS/PS, and around 13,000 tons for glass wool products. For iron core products, growth momentum will be driven by the expanding demand for AI servers, data centers, and automotive electronics, including advanced safety and autonomous driving. The Company itself will establish its core strategy as 'product portfolio optimization', focusing on new product development and shifting sales focus to high-priced, high-profit, and high-end customized markets. For SiC products, as the electric vehicle market in Europe and America recovers, the Company is focusing on AI server power modules, AR/VR communications, and advanced semiconductor equipment. On the technical side, the shift will be towards meeting 'system integration' needs, and expanding capacity steadily based on customer verification progress. The focus will be on high-end markets in supply chains outside of Mainland China to avoid low-price competition.

Furthermore, given the recent heightened tensions from geopolitical conflicts in the Middle East, volatility in the international crude oil market has intensified. We must closely monitor the evolving geopolitical situation in the region.

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

Chairman

Wu, Yi-Gui



President

Wu, Pei-Chi



Chapter 2. Corporate Governance Report

I. Details of Directors, General Manager, Deputy General Manager, Senior Managers, and Heads of Departments and Branches:

(I) Composition of the Board of Directors

1. Information of members of the Board of Directors

March 31, 2026; Unit: Shares

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares held when elected		Number of shares currently held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 4)	Titles also held in the Company and other companies.	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
Chairman and CEO	Hong Kong	Shing Lee Enterprises Limited	—	2023.05.31	3 years	1982.12.02	173,776,546	14.62%	173,776,546	14.62%	—	—	0	0%	Chairman, USI Corporation	(Note 7)	Director	Yu, Ching-Shou	In-law	(Note 5)
	Taiwan (R.O.C.)	Representative: Wu, Yi-Gui	Male 71-75 Age			1982.12.02 (Note 6)	—	—	113,122	0.01%	—	—	0	0%						
Director	Taiwan (R.O.C.)	Asia Polymer Corporation	—	2023.05.31	3 years	2020.06.12	101,355,673	8.53%	101,355,673	8.53%	—	—	0	0%	Bachelor of Engineering, Kyushu University (Japan)	Director: United Polymers Corporation, Ever Victory	Chairperson	Wu, Yi-Gui	In-law	None.
	Hong Kong	Representative: Yu, Ching-Shou	Male 91-95 Age			1982.12.02	—	—	0	0%	12,500,000	1.05%	0	0%						
Director	Taiwan (R.O.C.)	Asia Polymer Corporation	—	2023.05.31	3 years	2020.06.12	101,355,673	8.53%	101,355,673	8.53%	—	—	0	0%	(Note 8)		None.	None	None	None
	Taiwan (R.O.C.)	Representative: Kao, Che-I	Male 81-85 Age			2017.06.08	—	—	0	0%	0	0%	0	0%						
Director and President	Taiwan (R.O.C.)	TTC Chemical Company, Ltd.	—	2023.05.31	3 years	2020.06.12	15,109,901	1.27%	15,109,901	1.27%	—	—	0	0%	(Note 9)	(Note 10)	None.	None	None	None
	Taiwan (R.O.C.)	Representative: Wu, Pei-Chi	Male 56-60 Age			2022.09.23	—	—	0	0%	0	0%	0	0%						
Director	Hong Kong	Shing Lee Enterprises Limited	—	2023.05.31	3 years	1982.12.02	173,776,546	14.62%	173,776,546	14.62%	—	—	0	0%	(Note 11)	(Note 12)	None.	None	None	None
	Taiwan (R.O.C.)	Representative: Wu, Hung Ting	Male 41-45 Age			2020.06.12	—	—	50,418	0%	2,973	0%	0	0%						



Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares held when elected		Number of shares currently held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 4)	Titles also held in the Company and other companies.	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
Independent director	Taiwan (R.O.C.)	Chen Chung	Male 76-80 Age	2023.05.31	3 years	2014.06.06	0	0%	0	0%	0	0%	0	0%	(Note 13)	(Note 14)	None.	None	None	None
Independent director	Taiwan (R.O.C.)	Tu, Tzu-Chun	Male 67-70 Age	2023.05.31	3 years	2019.06.12	0	0%	0	0%	0	0%	0	0%	(Note 15)	(Note 16)	None.	None	None	None
Independent director	Taiwan (R.O.C.)/USA	Hai, Ying-Chun	Male 76-80 Age	2023.05.31	3 years	2014.06.06	0	0%	0	0%	0	0%	0	0%	(Note 17)	(Note 18)	None.	None	None	None
Independent director	Taiwan (R.O.C.)	Chen, Sheng-Te	Male 71-75 Age	2023.05.31	3 years	2023.05.31	0	0%	0	0%	0	0%	0	0%	(Note 19)	(Note 20)	None.	None	None	None

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

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

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

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

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

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

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

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

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

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

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

Executive Director: Chinese National Federation of Industries.

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

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

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

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

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

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

Note 12: Chairman of Chang Jiang Grandway Industrial Co., Ltd.; Executive Director of Zhicheng Capital Co., Ltd.; Founder and CEO of Foxli Networks (Shanghai) Technology Co., Ltd.

Note 13: Masters of Law, National Taiwan University (Taiwan); President of the Executive Yuan, Taiwan (R.O.C.); Vice President of the Executive Yuan, Taiwan (R.O.C.); Chairman of the Financial Supervisory Commission under the Executive Yuan, Taiwan (R.O.C.); Chairman of the Taiwan Stock Exchange; Deputy Minister of the Minister of Finance, Taiwan (R.O.C.); Director General of Finance Bureau, Ministry of Finance, Taiwan (R.O.C.); and Chairman of Taiwan Cooperative Bank.

Note 14: Chair Professor at School of Law and School of Business, Soochow University (Taiwan).

Chairperson: The Appacus Foundation and the Prospect Foundation.

Director: Union Petrochemical Corporation.

Note 15: Ph.D., School of Forestry and Resource Conservation, National Taiwan University; Minister of the Ministry of Economic Affairs, Chairman of National Development Council; Vice Premier, Executive Yuan; and Adjunct Associate Professor, Department of Business Administration, Soochow University.

Note 16: Consultant, Institute of Taiwan Electrical and Electronics Manufacturers' Association; Highest Consultant, Taiwan Transportation Vehicle Manufacturers Association; Highest Consultant, National Federation of Industries; a member of the Industrial Development & Investment Promotion Committee of Taoyuan.

Independent Director: Macronix International Co., Ltd., Walsin Lihwa

Note 17: Master of International Business Management, University of Texas at Dallas; Chairman and Chief Executive Officer of Delta Electronics, and Chairman of Business Strategy Management Committee; General Manager of GE Capital Taiwan.

Note 18: Director: Delta Electronics, CTCI Corporation.

Other Functional Committees: Member of Global Sustainability Committee, Delta Electronics, Inc.; Member of Sustainability, Net Zero and Cyber Security Committee, CTCI Corporation.

Other organizational positions: Board Member, Delta Electronics Foundation, Director of the Zhang Xin-Qi Memorial Foundation for Business and Management Education, Director of the Chiang Ching-kuo Foundation for International Scholarly Exchange and member of its finance committee, Board Member, K. T. Li Foundation for the Development of Science and Technology.

Honors: Academician of the Industrial Technology Research Institute (ITRI)

Note 19: Master of Business Administration from the University of Missouri, Chairman of Taipei Fubon Commercial Bank, Chairman of Zhuo Yi Capital, head of Citigroup Taiwan.

Note 20: Director: TCC Group Holdings, Lion Travel Agency.

Independent non-executive director (Foreign): Uni-President Enterprises China Holdings.

Supervisor: Fubon Bank (China) Co., Ltd.



2. The principal shareholder of a corporate shareholder

March 31, 2026

Shareholders' Name (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	
Shing Lee Enterprises Limited	SILVER HERO VENTURES LTD.	18.18%
	SOCIAL LUCKY INT'L INVESTMENT LTD.	18.18%
	ASIA DYNAMIC OVERSEAS LTD.	10.61%
	BEST PERSPECTIVE OVERSEAS LIMITED	7.58%
	XANADU INTERNATIONAL CO., LTD.	18.18%
	RICH GRADE HOLDINGS LTD.	18.18%
Asia Polymer Corporation	Union Polymer International Investment Corporation	36.08%
	Taiwan Union International Investment Corporation	2.41%
	TransGlobe Life Insurance Inc.	1.37%
	China General Terminal & Distribution Co.	0.89%
	The First Insurance Co., Ltd.	0.88%
	Chen, Chien-Hung	0.66%
	JP Morgan Chase Bank Taipei Branch was entrusted to host the investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Fund Company	0.62%
	JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account	0.51%
	Chiu, Chou-Kang	0.36%
	Hsueh, Shu-Han	0.36%
TTC Chemical Company, Ltd.	Union Polymer International Investment Corporation	36.79%
	Taiwan Union International Investment Corporation	2.23%
	J.P. Morgan Chase Bank N.A., Taipei Branch Custody Account for J.P. Morgan Securities plc	0.59%
	China General Terminal & Distribution Co.	0.57%
	Citibank Custody - Barclays Capital SBL/PB Investment Account	0.48%
	Lin, Chun-Jung	0.45%
	USIFE Investment Co., Ltd.	0.36%
	Citibank Taiwan Limited Custody Account for UBS Europe SE	0.32%
	Hsiao, Hsiao-Yun	0.29%
HSBC Bank (Taiwan) Limited Custody Account for Morgan Stanley & Co. International plc	0.27%	

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

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

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

3. Institutional shareholders whose major shareholders are juristic persons

March 31, 2026

Name of Institutions (Note 1)	Major Shareholders of Juristic Persons (Note 2)	
SILVER HERO VENTURES LTD.	WU, HUNG-TO	95%
SOCIAL LUCKY INT'L INVESTMENT LTD.	WU, I-KUANG	100%
ASIA DYNAMIC OVERSEAS LTD.	SEAQUEST VENTURES INC.	100%
BEST PERSPECTIVE OVERSEAS LIMITED	WU, WEI-MING	100%
XANADU INTERNATIONAL CO., LTD.	WU SHUNG, HUI-CHENG	99%
RICH GRADE HOLDINGS LTD.	WU , CHIAO-FENG	100%
Union Polymer International Investment Corporation	USI Corporation	100%
Taiwan Union International Investment Corporation	UPC Technology Corporation	100%
TransGlobe Life Insurance Inc.	Chung Wei Dehui Co., Ltd.	100%
Chunghwa Post Co., Ltd.	Ministry Of Transportation and Communications	100%
China General Terminal & Distribution Co.	China General Plastics Corporation	33.33%
	Asia Polymer Corporation	33.33%
	TTC Chemical Company, Ltd.	33.33%
The First Insurance Co., Ltd.	Jiancheng Development Co., Ltd.	6.24%
	DaFeng Construction Engineering Co., Ltd.	5.25%
	Sunlight Investment Co., Ltd.	4.00%
	Cai Cheng Enterprise Co., Ltd.	3.80%
	Baoshan Construction Co., Ltd.	3.31%
	Jian Yi Industrial Co., Ltd.	2.45%
	EasyPort Co., Ltd.	1.64%
	Cai Cheng Enterprise Co., Ltd.	1.49%
	Li Yang, Hsiu-Chuan	1.24%
	Chien Chi Co., Ltd.	1.17%
USIFE Investment Co., Ltd.	USI Corporation	100%

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

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

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



4. Information regarding members of the Board of Directors

(1) Disclosure of professional qualifications of Directors and Supervisors and independence

Information of independent Directors:

March 31, 2026

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

Criteria	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of companies in which the director or supervisor also serves concurrently as an Independent Director
Name			
Chen, Sheng-Te	<p>(1) He has served as the chairman of Fubon Bank and Zhuoyi Capital, and has rich working experience in finance, investment and other professional fields besides enterprise management experience.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies</p>	<p>Mr. Chen, Sheng-Te is the spouse of Mr. Chang, Chen-Ming, Independent Director of China General Plastics Corporation (hereinafter referred to as "CGPC"), a subsidiary of the Company. According to Article 3, Paragraph 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and after evaluation under Paragraph 4 of the same Article, it is determined that the Company and CGPC are not "specific companies" as defined in the said regulations (which would otherwise negate independence). Therefore, independent directors of the Company and CGPC may concurrently serve in both entities. Furthermore, upon inquiry with the competent authority (Securities and Futures Bureau) regarding the legality of an independent director's spouse concurrently serving as an independent director, the response confirmed that since Mr. Chang, Chen-Ming herself may concurrently serve as an independent director of the Company, his spouse Mr. Chen Shengde may also serve as an independent director of the Company, thus exempting the application of the relevant disqualification clause. In the two years prior to his election and during his term of office, he did not have the situation described in Item 1 of Article 3 of "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".</p>	0

Note 1: Professional qualifications and experience: State the professional qualifications and experience of the individual directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, state their accounting or financial background and work experience, and indicate whether Article 30 of the Companies Act is absent.

Note 2: For independent director, state the independence criteria, including but not limited to whether the director, the spouse and immediate family members or relatives within the second degree of kinship of the director are directors, supervisors, or employees of the Company or its affiliated companies; The number and proportion of the Company's shares held by the director, the spouse and immediate family members or relatives within the second degree of kinship of the director (or in the name of others); Whether the director is a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of Paragraph 5-8, Item 1, Article 3 of the Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed); Amount of remuneration obtained in the last 2 years for providing business, legal, financial, and accounting services to the Company or its affiliated companies: None.

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

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

Diversity of the Board of Directors:

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

- Ability to make sound business judgments.
- Ability to perform accounting and financial analysis.



- Ability to manage a business.
- Ability to handle crisis management.
- Knowledge of the industry.
- An international market perspective.
- Leadership skills.
- Decision-making ability.

In addition to the eight competencies above, the Company has added two professional abilities, namely "legal capability" and "environmental protection" for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection. The current term of directors was elected on May 31, 2023, and one of the new directors, Independent Director Chen, Sheng-Te, holds a Master of Business Administration degree from the University of Missouri, and has served as the head of the Taiwan region of Citigroup and the chairman of Fubon Commercial Bank in Taipei, Taiwan. He possesses in-depth expertise in risk management in the financial and monetary fields, which is conducive to the enhancement of the quality of the Board of Directors' review of motions, and the implementation of the policy of diversification of the Board of Directors.

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

Independence of the Board of Directors:

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

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

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

March 31, 2026; Unit: Shares

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Shareholding		Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 2)	Other Positions Held in Other Companies	Managerial officers who are spouses or relatives within the second degree of kinship			Note
					Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
Chief Executive Officer	Taiwan (R.O.C.)	Wu, Yi-Gui	Male	2007.3.22	113,122	0.01%	—	—	0	0%	Chairman, USI Corporation	(Note 4)	None.	None	None	(Note 3)
President	Taiwan (R.O.C.)	Wu, Pei-Chi	Male	2022.9.2	0	0%	0	0%	0	0%	(Note 5)	(Note 6)	None.	None	None	None
Deputy General Manager	Taiwan (R.O.C.)	Liu, Han-Tai	Male	2009.9.8	0	0%	0	0%	0	0%	PhD in Chemical Engineering, Pennsylvania State University	(Note 7)	None.	None	None	None
Business transactions Deputy General Manager	Taiwan (R.O.C.)	Wu, Ming-Tsung	Male	2021.7.1	9	0%	0	0%	0	0%	Master of Chemical Engineering, National Taiwan University (Taiwan)	Director: Polyfull (Shanghai), CPHC, Ever Victory Global, Dynamic Ever Investments, ZTC, Xiamen USI General Manager: Zhangzhou Taiju, Xiamen USI Deputy General Manager of Business: APC	None.	None	None	None
Corporate governance Chief	Taiwan (R.O.C.)	Chen, Yung-Chih	Male	2019.5.13	0	0%	0	0%	0	0%	(Note 8)	(Note 9)	None.	None	None	None
General Plant Manager	Taiwan (R.O.C.)	Chen, Liang-Chia	Male	2023.8.21	0	0%	1,392	0%	0	0%	Department of Chemical Engineering, Feng Chia University	None.	None	None	None	None
Financial Officer	Taiwan (R.O.C.)	Yang, Wen-Li	Male	2018.12.6	0	0%	0	0%	0	0%	(Note 10)	(Note 11)	None.	None	None	None
Accounting officer	Taiwan (R.O.C.)	Kuo, Chuan-Hua	Female	2015.9.1	0	0%	0	0%	0	0%	Master of Accounting, Tamkang University (Taiwan)	Accounting Manager: Union Polymer Int'l Investment Corp. and USI Management Consulting Corporation	None.	None	None	None

- Note 1: Information regarding General Manager, Deputy General Manager, Senior Managers, Heads of Departments and Branches should be included, whereas information regarding positions equivalent to General Manager, Deputy General Manager or Senior Managers should be disclosed regardless of job title.
- Note 2: Work experiences of any individual in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.
- Note 3: If the General Manager or personnel with equivalent position (chief officer) and the Chairman are the same person, spouses or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the directors not serving as employees or officers concurrently) shall be addressed.
Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainability Council, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.
- Note 4: Chairperson: APC, CGPC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USIFE Investment Co., Ltd., CGPC Polymer Corporation, APC Investment, Taiwan United Venture Capital Corp., USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical.
Director: TVCM, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics (Kunshan) Co., Ltd., Golden Amber, ACME (Kunshan), ACME (Guang-Zhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, A.S. Holdings (UK), ASK-SWANSON (KUNSHAN), Acme Ferrite, Swanson (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, PT. Swanson Plastics Indonesia, USIGE, ZTC, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group, Acme Advanced Materials and USI (Xiamen).
President: United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.
Chief Executive Officer: APC, CGPC, TTC, ACME, and USIO.
Executive Director: Chinese National Federation of Industries.
- Note 5: General Manager, Thermosetting Materials Business Unit, Asia Pacific, Dow Chemical Company; Sales Director, Basic Plastics, Greater China; Sales Engineer, ESSO Taiwan Branch.
- Note 6: Chairperson: USIGE, Taita Chemical (Zhongshan), Taita Chemical (Tianjin), USIT (Shanghai), Zhangzhou Taita, and Zhangzhou Taiju, USI (Xiamen) and Zhangzhou Xuteng.
Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., USI, APC, CGPC, CGTD, USIFE Investment, APC Investment, CLT, Swanson Plastics, STC, USI Education Foundation, TUVV, UPIIC, UM, ACME (Kunshan), Fujian Gulei Petrochemical, USIO, and USI (Hong Kong), STC (Kunshan).
President: TTC, APC, CLT, USIG (Shanghai).

Note 7: Director: Ever Victory Global, Dynamic Ever Investments, Ever Conquest Global, Swanson (Malaysia), CGPC (Zhongshan), TVCM Corporation, CGTD, Swanson, INOMA, TUVV, USI, ZTC, ASK-SWANSON (KUNSHAN), Swanson (Tianjin), and Swanson (Kunshan).

Note 8: Ph.D. in Law, University of Munich, Germany; Arbitrator of Chinese Arbitration Association, Taipei.

Lawyer: Winkler Partners - Attorneys at Law of Taiwan and Foreign Legal Affairs

Note 9: Corporate Governance Officer: APC, CGPC, TTC, and Acme Electronics Corporation.

Director: Huayun, CGPC (Zhongshan), ACME (Kunshan), ACME (Guangzhou), Taita Chemical (Zhongshan), Taita Chemical (Tianjin), Zhangzhou Taita Chemical Co., Ltd., Zhangzhou Xuteng Property.

Supervisor: Union Polymer, ZTC, CLT, USI, USIO, Swanson, Swanson (Kunshan), Swanson (Tianjin), ASK-Swanson, USIFE Investment, APC Investment, Taiwan United Venture Capital Corporation, TUVV, Delmind Inc., GGTC, TVCM, Cerebra Technologies Co., Ltd., and FiduciaEdge Technologies Co., Ltd.

Note 10: Master of Accountancy and Information Systems, Cleveland State University; Senior Vice President, Chief Financial Officer, and Spokesperson, Apex Medical Corp.; Executive Assistant to CEO of Primax Electronics Ltd. and Vice President of US subsidiary; CPA (USA).

Note 11: Director: CGPC (BVI), Forever Young, Swanlake, Taita (BVI), USI International, TUVV, JUMC, Ever Victory Global, Dynamic Ever Investments, Taita Chemical (Zhongshan), CGPC (Zhongshan), ZTCC, and USI Management Consulting Corporation.

Supervisor: Polyfull (Shanghai), Zhangzhou Taiju, ACME (Kunshan), PT. Swanson Plastics Indonesia, Xuteng Property, USI (Xiamen).

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

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

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



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

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

- (7) Net profit after tax of TWSE/TPEX Listed Companies in the most recent year has increased by more than 10%, but the average annual salary of full-time employees who do not hold supervisory positions has not increased over the previous year. [Note 6]
- (8) The after-tax profit and loss of the TWSE/TPEX Listed Companies in the most recent year decreased by 10% and exceeded NT\$5 million, and the average remuneration per director (excluding the remuneration of part-time employees) increased by 10% and exceeded NT\$100,000. [Note 7]

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

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

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

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

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

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

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

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

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



(I) Remuneration to Directors and Independent Directors

1. Name and remuneration shall be disclosed individually

Unit: In Thousands of New Taiwan Dollars

Position	Name (Note 1)	Remuneration								Relevant remuneration received by directors who also serve as employees								Percentage of the total of 7 items A, B, C, D, E, F, G, and net income after taxes (Note 10)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Notes 6 and 11)		
		Remuneration (A) (Note 2)		Separation Pay and Pension (B)		Director's Rewards (C) (Note 3)		Business Expenses (D) (Note 4)		Percentage of the total of 4 items A, B, C, D, and net income after taxes (Note 10)		Salaries, Bonuses and Special Allowances (E) (Note 5)		Separation Pay and Pension (F)		Employee Rewards (G) (Note 6)		Percentage of the total of 7 items A, B, C, D, E, F, G, and net income after taxes (Note 10)				
		The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial		The Company	All the Companies Included in the Consolidated Financial
Chairperson	Wu, Yi-Gui (Representative of Shing Lee Enterprise Limited)	0	0	0	0	0	0	16	120	16 (0.00%)	120 (0.00%)	11,421	28,660	108	108	0	0	0	0	11,545 (0.41%)	28,888 (1.04%)	2,590
Director	Yu, Ching-Shou (Representative of Asia Polymer Corporation)	1,000	1,000	0	0	0	0	136	196	1,136 (0.04%)	1,196 (0.04%)	0	0	0	0	0	0	0	0	1,136 (0.04%)	1,196 (0.04%)	None.
Director	Kao, Che-I (Representative of Asia Polymer Corporation)	0	0	0	0	0	0	1,036	1,162	1,036 (0.04%)	1,162 (0.04%)	0	0	0	0	0	0	0	0	1,036 (0.04%)	1,162 (0.04%)	None.
Director	Wu, Pei-Chi (Representative of Taita Chemical Company, Ltd.)	0	0	0	0	0	0	16	94	16 (0.00%)	94 (0.00%)	5,811	14,527	108	108	0	0	0	0	5,935 (0.21%)	14,729 (0.53%)	None.
Director	Wu, Hung Ting (Representative of Shing Lee Enterprise Limited)	1,000	1,000	0	0	0	0	336	336	1,336 (0.05%)	1,336 (0.05%)	0	0	0	0	0	0	0	0	1,336 (0.05%)	1,336 (0.05%)	None.
Independent director	Chen Chung	1,500	1,500	0	0	0	0	160	160	1,660 (0.06%)	1,660 (0.06%)	0	0	0	0	0	0	0	0	1,660 (0.06%)	1,660 (0.06%)	None.
Independent director	Tu, Tzu-Chun	1,500	1,500	0	0	0	0	160	160	1,660 (0.06%)	1,660 (0.06%)	0	0	0	0	0	0	0	0	1,660 (0.06%)	1,660 (0.06%)	None.
Independent director	Hai, Ying-Chun	1,500	1,500	0	0	0	0	160	160	1,660 (0.06%)	1,660 (0.06%)	0	0	0	0	0	0	0	0	1,660 (0.06%)	1,660 (0.06%)	None.
Independent director	Chen, Sheng-Te	1,500	1,500	0	0	0	0	160	160	1,660 (0.06%)	1,660 (0.06%)	0	0	0	0	0	0	0	0	1,660 (0.06%)	1,660 (0.06%)	None.

1. Please describe the policy, system, standards and structure of the compensation of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment.
 The remuneration of Independent Directors is determined in accordance with the Company's Articles of Incorporation and the remuneration policies and regulations. It is also determined by their level of participation in the Company's operations, value of their contribution, and median pay in the industry. The methods of distribution are filed to the Remuneration Committee for approval and the Board of Directors for resolution before implementation. Independent Directors do not receive other remuneration except for the fixed remuneration.

2. Unless disclosed above, the Directors of the current year received remuneration for providing services (such as serving as a non-employee consultant of the parent company/all the companies included in the financial statements/investee Companies) to the companies listed in the consolidated financial statements: None.

2. Pay scale table: N/A

- Note 1: The name of Directors shall be listed, respectively (for institutional shareholders, the name of institutional shareholders and their representatives shall be listed, respectively), and the name of Directors and Independent Directors shall be listed respectively; the payment amount shall be disclosed in aggregation. This table and table (3-1), or tables (3-2-1) and (3-2-2) below shall be filled out if a Director concurrently serves as the General Manager or Deputy General Manager.
- Note 2: Compensation received by a director in the most recent fiscal year (including director's salary, job-related allowances, separation pay, various bonuses and incentives).
- Note 3: Fill in the amount of rewards approved by the Board of Directors and distributed to the directors in the most recent fiscal year.
- Note 4: Business expenses paid to the directors in the most recent fiscal year (including services and goods provided such as transportation allowances, special allowances, various allowances, accommodation and vehicle). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The annual rent of the leased houses amounted to NT\$546 thousand.
- Note 5: Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including general manager, deputy general manager, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The three drivers' annual remuneration amounted to NT\$2,962 thousand; The cost of two official cars were NT\$9,141 thousand, and the book value at the end of 2025 was NT\$3,837 thousand. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration: None.
- Note 6: If a director concurrently with employees (including general manager, deputy general manager, other managers and employees) receives employee compensation (including stock and cash) in the most recent year, the amount of employee compensation approved by the Board of Directors for the most recent year shall be disclosed, and if it is impossible to estimate, the proposed amount of this year's distribution shall be calculated in proportion to the actual amount of last year's distribution, and Table 1-3 shall be filled out separately.
- Note 7: The total amount of all the remuneration paid to the Company's directors by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.
- Note 8: The Company shall pay each director the total amount of remuneration and disclose the name of the director in the class to which he belongs. (Not applicable)
- Note 9: The total amount of all the remuneration paid to each Director of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements. (Not applicable)
- Note 10: Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.
- Note 11:
- The amount of remuneration received from subsidiaries other than investee companies or the parent company by the Company's Directors shall be stated clearly in this column (please specify "none" if there is no remuneration).
 - If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries shall be combined into Column I of the table for range of remuneration, and this column shall be renamed "Parent Company and All Investees".
 - The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the Director serving as a director, supervisor or manager of an investee company or parent company of the Company other than subsidiaries.
 - The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.

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

(II) Remuneration Paid to Supervisors: Not applicable.



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

1. Name and remuneration shall be disclosed individually

Unit: In Thousands of New Taiwan Dollars

Position	Name (Note 1)	Salary (A) (Note 2)		Separation Pay and Pension (B)		Bonuses and Allowances(C) (Note 3)		Dollar Amount of Employee rewards (D) (Note 4)				Percentage of the total of 4 items A, B, C, D, and net income after taxes (Note 8)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent
		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company		All the Companies Listed in the Consolidated Financial Statements (Note 5)		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	
								Amount of Cash	Stock	Amount of Cash	Stock			
Chief Executive Officer	Wu, Yi-Gui	6,705	21,332	108	108	4,716	7,328	0	0	0	0	11,529 (0.41%)	28,768 (1.03%)	2,590
President	Wu, Pei-Chi	2,183	5,458	108	108	3,628	9,069	0	0	0	0	5,919 (0.21%)	14,635 (0.52%)	None.
Deputy General Manager	Liu, Han-Tai	4,111	4,111	108	108	5,863	6,672	0	0	0	0	10,082 (0.36%)	10,891 (0.39%)	None.
Business transactions Deputy General Manager	Wu, Ming-Tsung	1,799	2,998	302	302	1,283	2,139	0	0	0	0	3,384 (0.12%)	5,439 (0.19%)	None.

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

2. Pay scale table: N/A

Note 1: The name of the general manager and deputy general manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, his/her name and the amount of remuneration paid to him/her shall be listed in Table (1-1) or (1-2-1) and (1-2-2) above.

Note 2: Fill in the salary, job-related allowances and severance pay received by the General Manager and Deputy General Manager in the most recent fiscal year.

Note 3: Fill in the amount of various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation and vehicle received by the General Manager and Deputy General Manager in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The two drivers' annual remuneration amounted to NT\$2,239 thousand; The cost of two official cars were NT\$9,141 thousand, and the book value at the end of 2025 was NT\$3,837 thousand; The annual rental of the deputy general manager's rental house and rental car are NT\$887 thousand and NT\$440 thousand respectively, with fuel expenses of NT\$21 thousand. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration: None.

Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the general manager and deputy general manager in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the most recent fiscal year.

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

Note 6: The name of each General Manager and Deputy General Manager shall be disclosed in the range of remuneration corresponding to the amount paid to the General Manager and Deputy General Manager by the Company. (Not applicable)

Note 7: The total amount of all the remuneration paid to each general manager and deputy general manager of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each general manager and deputy general manager shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.

Note 8: Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.

Note 9:

a. This field shall clearly indicate the amount of remuneration received by the Company's General Manager or Deputy General Manager from investees other than subsidiaries or the parent company (if not, please fill in "none").

- b. If the General Manager or Deputy General Managers of the Company receive remuneration from investees other than subsidiaries or the parent company, the remuneration received by the General Manager or Deputy General Managers of the Company from investees other than subsidiaries or the parent company shall be included in Column E in the Range of Remuneration Table, and the column shall be renamed "Parent Company and All Investees".
- c. Remuneration in this case refers to remuneration, bonuses (including employee, Director, or supervisor compensation), and allowances received by the General Manager or Deputy General Managers of the Company as the Directors, supervisors, or managerial officers of investees other than subsidiaries or the parent company.
- d. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.
- * A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.



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

1. Name and remuneration shall be disclosed individually

Unit: In Thousands of New Taiwan Dollars

Position	Name (Note 1)	Salary (A) (Note 2)		Separation Pay and Pension (B)		Bonuses and Allowances(C) (Note 3)		Dollar Amount of Employee rewards (D) (Note 4)				Percentage of the total of 4 items A, B, C, D, and net income after taxes (Note 6)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Note 7)
		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company		All the Companies Listed in the Consolidated Financial Statements (Note 5)		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	
								Amount of Cash	Stock	Amount of Cash	Stock			
Chief Executive Officer	Wu, Yi-Gui	6,705	21,332	108	108	4,716	7,328	0	0	0	0	11,529 (0.41%)	28,768 (1.03%)	2,590
President	Wu, Pei-Chi	2,183	5,458	108	108	3,628	9,069	0	0	0	0	5,919 (0.21%)	14,635 (0.52%)	None.
Deputy General Manager	Liu, Han-Tai	4,111	4,111	108	108	5,863	6,672	0	0	0	0	10,082 (0.36%)	10,891 (0.39%)	None.
Business transactions Deputy General Manager	Wu, Ming-Tsung	1,799	2,998	302	302	1,283	2,139	0	0	0	0	3,384 (0.12%)	5,439 (0.19%)	None.
General Plant Manager	Chen Liang-Chia	2,034	2,034	108	108	972	972	0	0	0	0	3,114 (0.11%)	3,114 (0.11%)	None.

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

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

Note 3: Fill in the amount of bonuses, incentives, transportation expenses, special expenses, various allowances, dormitory, car and other in-kind offers and other remuneration of the top five remuneration executives in the most recent year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The two drivers' annual remuneration amounted to NT\$2,239 thousand; The cost of two official cars were NT\$9,141 thousand, and the book value at the end of 2025 was NT\$3,837 thousand; The annual rental of the deputy general manager's rental house and rental car are NT\$887 thousand and NT\$440 thousand respectively, with fuel expenses of NT\$21 thousand. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration: None.

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

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

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

Note 7:

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



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

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

	Title (Note 1)	Name (Note 1)	Stock	Amount of Cash	Total	Percentage of total compensations on NIAT (%)
Managerial Officers	Chief Executive Officer	Wu, Yi-Gui	0	0	0	0
	President	Wu, Pei-Chi				
	Deputy General Manager	Liu, Han-Tai				
	Deputy General Manager of Business	Wu, Ming-Tsung				
	Corporate Governance Officer	Chen, Yung-Chih				
	General Plant Manager	Chen Liang-Chia				
	Financial Officer	Yang, Wen-Li				
	Accounting officer	Kuo, Chuan-Hua				

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

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

Note 3: The scope of application for the term "managerial officer" shall follow the approved document with Ref. No. Chung Hsin Ku Tzu 1010000194 dated January 9, 2012. Its scope of application shall be as follows:

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

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

Note 5: In 2025, there was an after-tax loss, so there is no distribution of remuneration to employees.

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

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

Position	The Company				All the Companies Listed in the Consolidated Financial Statements			
	2025		2024		2025		2024	
	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax
General Directors' remuneration (Note 1)	3,540	(0.13%)	3,530	(0.16%)	3,908	(0.14%)	3,882	(0.18%)
Independent Directors' remuneration (Note 1)	6,640	(0.24%)	6,644	(0.31%)	6,640	(0.24%)	6,644	(0.31%)
General Directors' remuneration (Note 2)	20,988	(0.75%)	21,427	(1.00%)	47,311	(1.70%)	47,619	(2.22%)
Independent Directors' remuneration (Note 2)	6,640	(0.24%)	6,644	(0.31%)	6,640	(0.24%)	6,644	(0.31%)
General Managers and Deputy General Managers	30,914	(1.11%)	31,476	(1.47%)	59,733	(2.14%)	60,148	(2.80%)
Net income (loss) after tax	(2,790,962)	-	(2,147,470)	-	(2,790,962)	-	(2,147,470)	-

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

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

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

(1) Remuneration Policies, Standards and Packages

- The remuneration of the directors is in accordance with Article 19-1 of the Company's Articles of Incorporation, which stipulates, "Regardless of the Company's operating profit or loss, the remuneration shall be based on the value of their participation in and contribution to the Company's operations, with the industry standards in the R.O.C. as a reference". The remuneration of the directors shall not exceed one percent of the profit for the year, and the remuneration of the employees shall not be less than one percent of the profit for the year in accordance with Article 34 of the Company's Articles of Incorporation. The foregoing remuneration is determined with reference to the Company's operating performance and the results of the evaluation of the directors' performance. In addition, the transportation allowances shall be paid according to the resolution of the shareholders' meeting, except that Managerial Officers who concurrently serves as a Director of the Company shall not receive the transportation allowance. The aspects of performance evaluation for the Directors: Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.
- Remuneration for managers shall be approved by the Board of Directors in accordance



with relevant personnel regulations of the Company and Article 31 of the articles of association, and shall be determined in consideration of operating performance. Performance evaluation covers multiple dimensions, including financial (operating revenue, operating profit, and pre-tax net income), customer (customer satisfaction, service quality, development of key markets, etc.), product (brand management, quality innovation, etc.), talent (talent development, potential enhancement, lateral experience, etc.), safety (zero pollution, zero emissions, zero occupational injuries, zero incidents, zero failures), and project aspects (digital transformation, energy conservation and carbon reduction, circular economy, net-zero emissions, etc.). Among these, sustainability-related indicators account for at least 40% of the total weight, with climate-related items comprising no less than 15%. Relevant indicators are established based on the short-, medium-, and long-term plans outlined in the Company's ESG Report regarding its sustainability vision and goals.

- The Company's remuneration packages, according to the organization rules of the Remuneration Committee, including cash remuneration, stock options, dividends, retirement benefits or severance benefits, various allowances and other measures with substantial incentives; Its scope is consistent with that of directors and managers in the criteria of annual retribution records of public issuing companies.

(2) Procedures for determining remuneration

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

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

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

III. Implementation of Corporate Governance

(I) Operations of the Board of Directors

A total of 4 meetings (A) were held by the Board of Directors in the most recent fiscal year (2025). The attendance of the members of the Board are as follows:

Position	Name (Note 1)	21st Term 8th Meeting on 3/10/2025	21st Term 9th Meeting on 05/07/2025	21st Term 10th Meeting on 8/8/2025	21st Term 11th Meeting on 11/10/2025	Number of Attendance in Person B	Attendance by Proxy	Rate of Attendance in Person (%) [B/A] (Note 2)	Note
Chairperson	Wu, Yi-Gui (Representative of Shing Lee Enterprise Limited)	◎	◎	◎	◎	4	0	100.00	Reappointed
Director	Yu, Ching-Shou (Representative of Asia Polymer Corporation)	◎	◎	◎	☆	3	1	75.00	Reappointed
Director	Kao, Che-I (Representative of Asia Polymer Corporation)	◎	◎	◎	◎	4	0	100.00	Reappointed
Director and General Manager	Wu, Pei-Chi (Representative of Taita Chemical Company, Ltd.)	◎	◎	◎	◎	4	0	100.00	Reappointed
Director	Wu, Hung Ting (Representative of Shing Lee Enterprise Limited)	◎	◎	◎	◎	4	0	100.00	Reappointed
Independent director	Chen Chung	◎	◎	◎	◎	4	0	100.00	Reappointed
Independent director	Tu, Tzu-Chun	◎	◎	◎	◎	4	0	100.00	Reappointed
Independent director	Hai, Ying-Chun	◎	◎	◎	☆	3	1	75.00	Reappointed
Independent director	Chen, Sheng-Te	◎	◎	◎	◎	4	0	100.00	New appointment

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

Note 2:

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

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



Other matters to be noted:

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

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

The Company has established an Audit Committee and is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. For related information, please refer to the section on the operation of the Audit Committee in this annual report.

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

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

Name of Director	Proposal	Reason for recusal	Participation in Voting	Note
Wu, Yi-Gui Wu, Pei-Chi	Removal of the non-competition restriction on directors at the Annual General Meeting.	The director abstaining from voting is the party subject to the lifting of the non-compete restriction in this case.	Did not participate in voting	8th Meeting of the 21st Term 2025.03.10
	Donations to the USI Education Foundation.	They recused themselves due to conflict of interest as they serve as Directors of the foundation.		

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

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
Once every three years	January 1, 2025 to December 31, 2025	Board of Directors Performance Evaluation	appointment of external professional institutions	Board of Directors Performance Evaluation Scope, including four major dimensions: 1. Expertise of the Board of Directors (Composition and structure of the Board of Directors, Election and continuing education of the Directors). 2. Decision-making effectiveness of the Board of Directors (degree of participation in the Company's operations, improvement in the quality of decision-making of the Board of Directors). 3. The level of importance and supervision the Board of Directors places on internal control. 4. The Board of Directors' attitude towards sustainable management.
Annually	January 1, 2025 to December 31, 2025	Board of Directors Performance Evaluation	Board of Directors Self-evaluation	The Board of Directors Performance Evaluation should include the following five items: 1. Degree of participation in the Company's operations 2. Improvement in the quality of decision-making of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of the Directors 5. Internal Control

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
Annually	January 1, 2025 to December 31, 2025	Performance evaluation of individual director member	Board of Directors Self-evaluation of the members	The performance evaluation metrics for director members should include the following six dimensions: 1. Understanding of the Company's goals and tasks 2. Understanding of the Director's responsibilities 3. Degree of participation in the Company's operations 4. Management and communication of the internal relations 5. Expertise and continuing education of the Directors 6. Internal control
Annually	January 1, 2025 to December 31, 2025	Evaluation of the Audit Committee's Performance	Self-evaluation of the members of the Audit Committee	The Audit Committee's performance evaluation cover the following items: 1. Degree of participation in the functional committee 2. Knowledge of the duties of the functional committee 3. Improvement in the decision-making quality of functional committees. 4. Composition of the Audit Committee and selection of committee members 5. Internal control
		Performance evaluation of the Remuneration Committee	Self-evaluation of the members of the Remuneration Committee	The performance evaluation of the Remuneration Committee should cover the following four items: 1. Degree of participation in the functional committee 2. Knowledge of the duties of the functional committee 3. Improvement in the decision-making quality of functional committees. 4. Composition and member selection of the Remuneration Committee
		Sustainability Council Performance Evaluation	Self-evaluation of the members of the Sustainability Council	The Sustainability Council and the Sustainability Council Performance Evaluation should include the following four dimensions: 1. Degree of participation in the functional committee 2. Knowledge of the duties of the functional committee 3. Improvement in the decision-making quality of functional committees. 4. Composition of the Sustainability Council and selection of committee members

※ The performance evaluation results of the Board of Directors and functional committees of 2025 have been submitted to the first meeting of the Board of Directors of 2026 on March 12, 2026, and disclosed on the Company's website after the meeting.

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

Note 2: Fill in the period covered by the evaluation of the Board of Directors. For example, the performance evaluation of the Board of Directors from January 1, 2025 to December 31, 2025.

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

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

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

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

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

- (1) The Board of Directors operates in compliance with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholders' meeting. In addition to possess necessary professional knowledge to carry out their duties, all Directors shall act



in accordance with the principles of honesty and good faith and their due obligations, to create the maximum interests for all shareholders.

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

Position	Name	Date of Course	Organized by	Course Title	Duration of the Course
Chairperson	Wu, Yi-Gui	2025/07/29	Securities & Futures Institute	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Prospects for the U.S.-China Economy and Taiwan Industry after the U.S. Election	3
Director	Yu, Ching-Shou	2025/07/29	Securities & Futures Institute	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Prospects for the U.S.-China Economy and Taiwan Industry after the U.S. Election	3
Director	Kao, Che-I	2025/07/29	Securities & Futures Institute	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Prospects for the U.S.-China Economy and Taiwan Industry after the U.S. Election	3
Director and General Manager	Wu, Pei-Chi	2025/07/29	Securities & Futures Institute	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	3
		2025/07/31	Taiwan Stock Exchange (TWSE)	Taiwan Capital Market Summit 2025 Approved the 2024 Account Book	3
Director	Wu, Hung Ting	2025/07/29	Securities & Futures Institute	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Prospects for the U.S.-China Economy and Taiwan Industry after the U.S. Election	3
Independent director	Chen Chung	2025/06/25	Taiwan Institute of Directors	Co-creating a Sustainable Future: Global ESG Trends Seminar	3
		2025/10/15	Taiwan Institute of Directors	Co-creating a Sustainable Future: AI Empowerment and Digital Transformation	3
Independent director	Tu, Tzu-Chun	2025/02/21	Taiwan Corporate Governance Association	Stainless steel business strategy planning and sustainable development	2
		2025/03/04	Taiwan Corporate Governance Association	2025 Global Economic Outlook	3
		2025/05/09	Taiwan Corporate Governance Association	Digital Manufacturing Development Strategy	3
		2025/05/16	Taiwan Corporate Governance Association	Leading transformation through data-driven approaches and creating development opportunities for AI industrialization.	2
		2025/07/29	Securities & Futures Institute	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	3
		2025/10/03	Taiwan Corporate Governance Association	Under the Wave - Energy Infrastructure for Promoting Sustainable Transition	3

Position	Name	Date of Course	Organized by	Course Title	Duration of the Course
Independent director	Hai, Ying-Chun	2025/04/29	Taiwan Corporate Governance Association	Company Strategy Development Direction	3
		2025/07/30	Securities & Futures Institute	Current global economic situation and corporate risk response	3
Independent director	Chen, Sheng-Te	2025/09/18	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The Great Future of Industry - Challenges and Opportunities	1
		2025/09/18	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Cross-border payments and international market opportunities	2
		2025/11/03	Taiwan Institute for Sustainable Energy	Deepening risk management and building operational resilience for the enterprise.	3
Corporate Governance Officer	Chen, Yung-Chih	2025/02/13	Taiwan Institute for Sustainable Energy	Thirty-ninth TCCS Council Meeting and CEO Lecture Hall	2
		2025/04/24	Taiwan Institute for Sustainable Energy	Fortieth TCCS Council Meeting and CEO Lecture Hall	2
		2025/05/16	Securities & Futures Institute	2025 Insider Trading Prevention Seminar	3
		2025/07/09	Taiwan Stock Exchange (TWSE)	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
		2025/07/25	Securities & Futures Institute	Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies in 2025	3
		2025/07/29	Securities & Futures Institute	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	3
		2025/08/22	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2025 Taishin Shin Kong Net Zero Summit Forum	3
		2025/08/29	Taiwan Stock Exchange (TWSE)	Strengthening climate information disclosure to enhance corporate climate resilience.	3
		2025/09/12	Taiwan Institute for Sustainable Energy	2025 Asia-Pacific Sustainability Forum_4th Hydrogen Forum	2
		2025/10/03	Securities & Futures Institute	2025 Insider Trading Prevention Seminar	3
		2025/10/16	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	6
		2025/10/16	Securities & Futures Institute	Prospects for the U.S.-China Economy and Taiwan Industry after the U.S. Election	3
		2025/10/17	Taiwan Institute for Sustainable Energy	Forty-first TCCS Council Meeting and CEO Lecture Hall	2
		2025/10/28	Taiwan Corporate Governance Association	2025 Fubon Insurance - AI Applications and Corporate Governance Seminar	3
		2025/11/21	Securities & Futures Institute	Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies in 2025	3
2025/12/05	Securities & Futures Institute	New Thinking in Corporate Hedging: Responding to Exchange Rate Challenges and Asset Management Trends	3		
Accounting officer	Kuo, Chuan-Hua	2025/07/29	Securities & Futures Institute	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Prospects for the U.S.-China Economy and Taiwan Industry after the U.S. Election	3
Financial Officer	Yang, Wen-Li	2025/07/29	Securities & Futures Institute	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Prospects for the U.S.-China Economy and Taiwan Industry after the U.S. Election	3

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

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

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

- Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act
- Assessment of the effectiveness of the internal control system
- Pursuant to Article 36-1 of the Securities and Exchange Act, formulate or revise



procedures for major financial business actions including the acquisition or disposal of assets, engaging in derivative trading, loaning of funds to others, making endorsement or guarantees for others

- Matters concerning the personal interests of Directors
- CPAs explain the status of checking or reviewing financial reports on a quarterly basis, and the audit committee discusses and communicates with the questions raised by the participants. The audit committee also communicates separately with the CPAs and the internal audit supervisors on a regular basis.
- Review the internal control system and relevant policies and procedures.
- Major assets or derivative trading.
- Major loaning of funds, making of endorsements or provision of guarantees.
- The offering, issuance, or private placement of equity-type securities.
- Compliance with laws and regulations and filing requests to managers for development of response plans for amendments to the laws.
- Review internal audit reports (including risk management of information security and internal controls), and maintain communication with the head of internal audit
- Evaluation of the qualifications, independence, and performance of the CPAs.
- Appointment, dismissal and compensation of CPAs.
- Appointment and dismissal of finance manager, accounting manager, and head of internal audit
- Review the performance of the Audit Committee
- Review the financial report stamped with the seal of the Chairman, manager and principal accounting officer.
- Accept and deal with whistleblowing cases in accordance with the functions listed in this article
- Other material matters as may be required by the Company or by the competent authority.
- Supervise the implementation of risk management policies.

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

Title (Note 3)	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Note
Independent Director (Convener)	Chen Chung	4	0	100.00	Reappointed
Independent director	Tu, Tzu-Chun	4	0	100.00	Reappointed
Independent director	Hai, Ying-Chun	3	1	75.00	Reappointed
Independent director	Chen, Sheng-Te	4	0	100.00	New appointment

(3) Operations in the current year:

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

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

Audit Committee	Resolution and Follow-up Actions	Items specified in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee
4th Term 7th Meeting 2025.03.10	1. Proposal for endorsements/guarantees made for USI Green Energy Corporation. Request for approval to amend warranty Limit and ratify it.	v	None.
	2. For the purpose of issuing the 2024 "Statement on Internal Control Systems", submit the statement for deliberation, and discuss.	v	None.
	3. For the purpose of issuing the 2024 "Statement on Internal Control Systems", submit the statement for deliberation.	v	None.
	4. Submit the proposal for the 2024 Profit Distribution Plan for deliberation.	v	None.
	5. Submit the evaluation of the independence and suitability of the CPAs appointed for 2025 for deliberation.	v	None.
	6. Submit the appointment of CPAs for 2025 for deliberation.	v	None.
	7. Revise the "Pre-Approval Procedures for Non-Assurance Services Provided by the CPA Firm" and appoint CPAs to handle non-assurance services for 2025, submitted for discussion.	v	None.
	8. Proposal to lift the non-compete restriction on directors, submitted for discussion.	v	None.
	Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.		
The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.			
4th Term 8th Meeting 2025.05.07	Prepare the 2025 Quarter 1 Consolidated Financial Statements and submit them for deliberation.	v	None.
	Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.		
	The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.		
4th Term 9th Meeting 2025.08.08	1. Submit the proposal for amendment to the Company's internal control systems for deliberation.	v	None.
	2. Proposal for endorsements/guarantees made for USI Green Energy Corporation. Request for approval to amend warranty Limit and ratify it.	v	None.
	3. Prepare the 2025 Quarter 2 Consolidated Financial Statements and submit them for deliberation.	v	None.
	Audit Committee Recommendation: Proposal 3		
It is suggested that the managerial unit should regularly evaluate the Company's cash flow forecasts and the future development of the Gulei investment project, and propose relevant contingency measures.			
Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.			
The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.			



Audit Committee	Resolution and Follow-up Actions	Items specified in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee
4th Term 10th Meeting on 2025.11.10	1. Proposal for endorsements/guarantees made for USI Green Energy Corporation. Request for approval to amend warranty Limit and ratify it.	v	None.
	2. Prepare the 2025 Quarter 3 Consolidated Financial Statements and submit them for deliberation.	v	None.
	3. Submit the proposal for compensation paid to the Company's CPAs for 2025 deliberation.	v	None.
	4. Proposed revision of certain articles in the "Procedures for Transactions with Related Parties, Specific Companies, and Corporate Groups," submitted for discussion.	v	None.
	5. Revise the Company's internal control systems and submit for deliberation.	v	None.
	6. Submit the 2026 audit plan for deliberation.	v	None.
	Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting. The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.		

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

3. In regards to the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes should be stated: None.

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

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

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

Start Date	Key Communications Points	Recommendations and Results
2025/03/10	1. 7th internal audit execution report in the 4th term 2. The 2024 Statement on Internal Control System.	No dissenting opinion.
2025/05/07	8th internal audit execution report in the 4th term	No dissenting opinion.
2025/08/08	1. 9th internal audit execution report in the 4th term. 2. In response to organizational changes and in accordance with the directives from the Financial Supervisory Commission and the Taiwan Depository & Clearing Corporation, the Company itself revised its internal control system.	No dissenting opinion.
2025/11/10	1. Review the revision of the internal control system. 2. Review the annual internal audit plan for 2026.	No dissenting opinion.

(2) CPAs compile information on the audit of the Company's consolidated financial statements (annual financial statements including parent company-only financial

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

Summary of communication between the Audit Committee and CPAs:

Start Date	Key Communications Points	Recommendations and Results
2025/03/10	1. CPAs reported the status of audit of the Company's 2024 financial statements, as well as discussed and responded to questions raised by attendees. 2. Evaluation of the qualifications, independence, and performance of the CPAs. 3. Submit the appointment of CPAs for 2025 for deliberation. 4. The CPA reported the execution status of non-assurance services for 2024 and discussed and responded to questions raised by attendees.	No dissenting opinion.
2025/05/07	CPAs reported the status of the audit of the Company's 2025 Quarter 1 financial statements, as well as discussed and responded to questions raised by attendees.	No dissenting opinion.
2025/08/08	CPAs reported the status of the audit of the Company's 2025 Quarter 2 financial statements, as well as discussed and responded to questions raised by attendees.	No dissenting opinion.
2025/11/10	CPAs reported the status of the audit of the Company's 2025 Quarter 3 financial statements, as well as discussed and responded to questions raised by attendees.	No dissenting opinion.

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

Note 2: If independent directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors should be listed accordingly and the "remark" column should indicate whether the status of an independent director is "outgoing", "incoming" or "re-elected" and the date of re-election. The rate of attendance in person (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during the member's term of office.

Note 3: For the professional qualifications and experience of the members of the Audit Committee of the Company, please refer to Notes 13 to 20 on page 7 to page 8 of the Annual Report.

(3) Communications between independent directors and head of internal audit and CPAs

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



Start Date	Attendees	Communication Matters	Communication Results
2025.11.10 Audit Committee 4th Term 10th Meeting	Independent director Chen Chung Tu, Tzu-Chun, Independent Director Hai, Ying-Chun, Independent Director (acting on behalf of Chen Chung) Chen, Sheng-Te, Independent Director CPA Chen, Chun-Hung Chief Auditor Chiang I-Ting	CPA: 1. Annual audit scope, methods, key audit items and other evaluation plans. 2. AQI audit quality indicators report. 3. Discussion and communication regarding questions raised by attendees. Chief Internal Auditor: 1. Internal audit of business performance report 2. Revision of the internal control system. 3. 2025 annual internal control and self-evaluation schedule. 4. The 2137 audit plan.	No dissenting opinion.

- (4) For the professional qualifications and experience of the members of the Audit Committee, please refer to pages 11 and 12 of the Annual Report.
- (5) Information regarding the participation of Supervisors in the operations of the Board of Directors: Not applicable.



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

Evaluation Item	Status of Implementation (Note)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established its "Corporate Governance Best Practice Principles" in compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to promote the implementation of corporate governance and disclosed the information on its website.	No material discrepancy
II. Shareholder Structure and Shareholders' Rights				
(I) Has the Company established an internal operating procedure for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	✓		The Company has appointed dedicated personnel to be in charge of such matters.	No material discrepancy
(II) Does the Company maintain a list of major shareholders who have actual control over the Company and persons who have ultimate control over the major shareholders?	✓		The Company has been maintaining contact with its major shareholders and persons who have ultimate control over the major shareholders.	No material discrepancy
(III) Has the Company established and implemented risk control and firewall mechanisms among its affiliated companies?	✓		The Company has established and implemented a system to monitor its subsidiaries.	No material discrepancy
(IV) Has the Company formulated internal regulations that prohibit insiders of the Company from trading securities using undisclosed information in the market?	✓		<p>◎ Prevention of Insider Trading</p> <p>The Company has regularly educated and advocated the existing Directors, Managerial Officers and employees on the "Procedures for Handling Material Internal Information" and relevant laws and regulations. The Company has educated and advocated new Directors, Managerial Officers and employees upon their appointment/arrival. In 2025, education and training were conducted for current directors, managers, and employees through online courses and assessments, with a total of 832 participants and a cumulative training duration of 832 hours. The detailed course topics and durations are as follows:</p> <p>[E-learning and Online Assessment]</p> <p>Group staff code of conduct test (including insider trading prevention) for 2 hours</p> <p>The content includes: insider trading regulations, definitions and constituent elements, corporate governance perspective on insider trading, introduction to Article 157-1 of the Securities and Exchange Act and a brief introduction to practical cases, scope of major information and promotion of processing procedures, etc. In addition, online course materials and presentations are often placed in the internal training and learning platform system for all colleagues to watch and learn at any time.</p> <p>◎ Appointed director shall not trade the Company's stock implementation during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.</p> <p>1. Company's regulations</p> <p>In accordance with the Code of Corporate Governance amended by the competent Authority in August 2024, and the "Company's Ethical Operating Procedures and Conduct Guidelines" were amended by the Board of Directors in November, 2022 to</p>	Consistent with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Status of Implementation (Note)		Abstract Illustration	Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Yes	No		
			<p>stipulate that, in addition to complying with the ban on insider trading, the directors of the Company shall not trade in the Company's shares during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.</p> <p>2. Specific situation of implementing internal rules</p> <p>(1) Educational Training - Tested on the training management platform, Course Title: [Group Staff Code of Conduct Assessment] - Incorporated that Directors are not allowed to trade in the Company's shares during the closed period prior to the announcement of financial results. A total of 832 people participated in the above training, and the total training hours totaled 832 hours in 2025.</p> <p>(2) Notification- Reminder by letter before the closing period - to be carried out by the Secretary of the Board, 7 days before each closing period, to remind the directors by email and inform the Stock Department.</p> <p>(3) Re-reminder mechanism - Implemented by the Stock Affairs Department, upon receipt of the above information until the "Financial Report Announcement date (i.e. board meeting date)", if the directors of each company still apply for "pre-declaration of share transfer", they will email the director again at the same time to remind the norms of the closed period (independent directors are transferred by the Director's secretary), and notify the director's secretary and the corporate governance officer.</p> <p>3. The Company's financial statements discussed at the Board of Directors are implemented in accordance with the above provisions, and the list is as follows:</p> <p>(1) The Board of Directors will hold a meeting on March 10, 2025 to discuss the 2024 annual financial report, with the day of the Board of Directors (March 10) as the announcement date of the financial report, 30 days prior (February 8) as the beginning of the closing period, and the closing period for trading stocks will be from February 8, 2025 to March 10, 2025. In a letter dated January 22, 2025, the Secretary of the Board informed the Directors that the shares of the Company were not to be traded during the closure period.</p> <p>(2) The Board of Directors will hold a meeting on May 7, 2025 to discuss the financial report for the first quarter of 2025, because the Board of Directors released important information on the same day after the release of important data in the financial report, with the day of the Board of Directors (May 7) as the announcement date of the financial report, 15 days prior (April 22) to the beginning of the closing period, and the closing period for trading stocks will be from April 22, 2025 to May 7, 2025. The Secretary of the Board notified the Directors by email on April 16, 2025 that the shares of the Company were not to be traded during the closure period.</p> <p>(3) The Board of Directors will hold a meeting on August 8, 2025 to discuss the financial report for the second quarter of 2025, because the Board of Directors released important information on the same day after the release of important data</p>	



Evaluation Item	Status of Implementation (Note)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
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			<p>in the financial report, with the day of the Board of Directors (August 8) as the announcement date of the financial report, 15 days prior (July 24) to the beginning of the closing period, and the closing period for trading stocks will be from July 24, 2025 to August 8, 2025. The Secretary of the Board notified the Directors by email on July 16, 2025 that the shares of the Company were not to be traded during the closure period.</p> <p>(4) The Board of Directors will hold a meeting on November 10, 2025 to discuss the financial report for the third quarter of 2025, because the Board of Directors released important information on the same day after the release of important data in the financial report, with the day of the Board of Directors (November 10) as the announcement date of the financial report, 15 days prior (October 26) to the beginning of the closing period, and the closing period for trading stocks will be from October 26, 2025 to November 10, 2025. The Secretary of the Board notified the Directors by email on October 17, 2025 that the shares of the Company were not to be traded during the closure period.</p> <p>As confirmed by the Stock Department, the directors of the Company did not report share transfers during the closed period in 2025.</p>	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Does the Board of Directors formulate a diversity policy, specific management objectives and implement them?</p>	✓		<p>◎ Diversity Policy of the Board Members</p> <p>According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:</p> <ul style="list-style-type: none"> • Ability to make sound business judgments. • Ability to perform accounting and financial analysis. • Ability to manage a business. • Ability to handle crisis management. • Knowledge of the industry. • An international market perspective. • Leadership skills. • Decision-making ability. <p>In addition to the eight competencies above, the Company has added two professional abilities, namely "legal capability" and "environmental protection" for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection.</p> <p>◎ Specific management objectives of diversity of the board members</p> <p>The current term of directors was elected on May 31, 2023, and one of the new directors, Independent Director Chen, Sheng-Te, holds a Master of Business Administration degree</p>	No material discrepancy

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		<p>from the University of Missouri, and has served as the head of the Taiwan region of Citigroup and the chairman of Fubon Commercial Bank in Taipei, Taiwan. He possesses in-depth expertise in risk management in the financial and monetary fields, which is conducive to the enhancement of the quality of the Board of Directors' review of motions, and the implementation of the policy of diversification of the Board of Directors. The goal for director diversity is to appoint one additional female director to achieve the gender diversity objective. In addition, in response to the increasing global focus on corporate sustainability, the Company intends to increase the number of directors with expertise in related fields to enhance the sustainable competitiveness of the Company and improve the function of the Board of Directors.</p> <p>◎ The implementation of diversity of directors For details on the diversity of Board members, refer to the table below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Director</th> <th rowspan="2">Gender</th> <th colspan="10">Core Diversification Item</th> </tr> <tr> <th>Operational judgment</th> <th>Accounting and finance</th> <th>Business management</th> <th>Crisis management</th> <th>Knowledge of the industry</th> <th>International Markets</th> <th>Leadership Ability</th> <th>Decision making Ability</th> <th>Legal</th> <th>Environmental protection</th> </tr> </thead> <tbody> <tr> <td>Wu, Yi-Gui</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Yu, Ching-Shou</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Kao, Che-I</td> <td>Male</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Wu, Pei-Chi</td> <td>Male</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Wu, Hung Ting</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Chen, Chung (Note)</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td></td> </tr> <tr> <td>Tu, Tzu-Chun</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Hai, Ying-Chun (Note)</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> </tr> <tr> <td>Chen, Sheng-Te</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> </tbody> </table> <p>※ The Company's Directors with employee status accounted for 22% and Independent Directors with employee status 44%.</p> <p>※ One Directors is among 41-50 years old, one is among 51-60 years old, one is among 61-70 years old, four are 71-80 years old, and two are aged over 80.</p> <p>Note: If an independent director is re-elected for three consecutive terms, reasons for further nomination are as follows:</p> <p>1. Director Chen, Chung has served as the President of the Executive Yuan, the head of the Ministry of Finance and Economics, and the head of the financial industry. He has many discussions and works on the financial situation and related public policy issues, and has professional experience in strengthening corporate governance, managing operational risks, and improving the operational efficiency of the Board of Directors; Currently serving as the Chairman of the Vision Engineering Foundation of the Consortium, the foundation has been focusing on the United Nations Sustainable Development Indicators (SDGs) for a long time, launching special reports and actions to seek effective solutions, which is of great help to USI Corporation in promoting</p>	Name of Director	Gender	Core Diversification Item										Operational judgment	Accounting and finance	Business management	Crisis management	Knowledge of the industry	International Markets	Leadership Ability	Decision making Ability	Legal	Environmental protection	Wu, Yi-Gui	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓		Yu, Ching-Shou	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓		Kao, Che-I	Male	✓		✓	✓	✓		✓	✓			Wu, Pei-Chi	Male	✓		✓	✓	✓	✓	✓	✓			Wu, Hung Ting	Male	✓	✓	✓	✓			✓	✓			Chen, Chung (Note)	Male	✓	✓	✓	✓			✓		✓		Tu, Tzu-Chun	Male	✓	✓	✓	✓	✓		✓	✓		✓	Hai, Ying-Chun (Note)	Male	✓	✓	✓	✓			✓			✓	Chen, Sheng-Te	Male	✓	✓	✓	✓			✓	✓			
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	Yes	No		
(II) Has the Company voluntarily established other functional committees, other than the Remuneration Committee and Audit Committee that are established in accordance with the law?	✓		<p>sustainable development (ESG). Although he has been reappointed as an independent director of USI Corporation for over three terms, he is able to make professional independent judgments and provide constructive suggestions in both the functional committee and the Board of Directors. Therefore, he continues to be nominated as an independent director of the Company itself.</p> <p>2. Hai, Ying-Chun served as the chairman of Delta Electronics, with experience in setting the Company's business development direction, planning the organizational structure, promoting and implementing strategic innovation, strengthening corporate governance and the functioning of the Board of Directors. He also served as the Chairman of the "Taiwan Climate Alliance", an organization that introduced global climate change and successful carbon reduction experience to help domestic enterprises move towards the goal of net zero, which is of great help to USI Corporation in promoting sustainable development (ESG). Although he has been reappointed as an independent director of USI Corporation for over three terms, he is able to make professional independent judgments and provide constructive suggestions in both the functional committee and the Board of Directors. Therefore, he continues to be nominated as an independent director of the Company itself.</p> <p>The Company has established a Remuneration Committee and an Audit Committee which exercise their authority in accordance with the Remuneration Committee Charter and the Audit Committee Charter respectively with favorable performance. The Company also voluntarily set up a Sustainability Council, which exercises its functions and powers and function smoothly in accordance with the "Organization Rules of the Sustainability Council".</p>	No material discrepancy
(III) Has the Company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually? Does the Company submit results of assessments to the Board of directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors?	✓		<p>I. Status of Implementation and Evaluation Results of the External Evaluation of the Board of Directors Performance</p> <p>1. To implement corporate governance, strengthen the functions of the Board of Directors, and enhance the overall operational efficiency of the Board through clear performance objectives, the "Board of Directors Performance Evaluation Regulations" was established with the approval of the Board. According to the regulations, the Board of Directors Performance Evaluation must be conducted by an external professional independent organization or a team of external experts and scholars at least once every three years.</p> <p>2. The Company itself appointed the Chinese Management Association of Taiwan to conduct the Board of Directors performance assessment, led by attorney Mr. Wang Yun. The execution year is 2025, covering the evaluation period from January 1, 2025 to December 31, 2025. The organization and its executive committee have no financial, business transactions, or other situations with the Company itself in the recent year that could affect their professional judgment and independence, and they have not provided the Company with Other consulting or audit-related services, ensuring the objectivity and fairness of the evaluation process, and have issued a Declaration of independence. The performance evaluation of the Board of Directors this time is conducted based on four major aspects, including: the professional functions of the Board of Directors, the</p>	No material discrepancy

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			<p>decision-making effectiveness of the Board of Directors, the level of importance and supervision the Board of Directors places on internal control, and the Board of Directors' attitude towards sustainable management. The Evaluation Method includes reviewing the company's internal regulations and records, having the Composition of the Board of Directors complete evaluation questionnaires, and conducting individual Director interviews. The Company itself submitted the evaluation results to the Board of Directors on November 10, 2025.</p> <p>3. The process for the external evaluation of the Board of Directors Performance is as follows:</p> <ol style="list-style-type: none"> (1) The external institution provides a list of documents required for the evaluation and the evaluation questionnaire. (2) The assessed company provides the required documents and responds to the evaluation questionnaire. (3) The external organization conducts a written review of the documents provided by the assessed company and, depending on the position, requests the assessed company to provide additional information or remarks. (4) The external organization meets and interviews the Directors and related personnel of the evaluated company to gain an in-depth understanding of the actual operations of the Board of Directors. (5) The external institution plans to draft and issue a performance evaluation report for the Board of Directors. <p>4. Evaluation results - Overall observation conclusion</p> <ol style="list-style-type: none"> (1) Through interviews, it is understood that the Composition of the Board of Directors generally approves of the Board's proceedings and atmosphere. Directors are able to gain a detailed understanding of the Company's business policies through active information exchange and ample preparation time, thus providing comprehensive operational advice to the evaluated enterprise. The management team is also able to incorporate the Directors' feedback into their decision-making and communicate with the Directors. The Board of Directors continues to explore issues on how to enhance diversity in the Composition of the Board of Directors. (2) The directors recognize the importance of implementing and tracking internal control systems and risks, and have established a reporting system to prevent and mitigate factors and negative effects of unethical business conduct. The evaluated enterprise implements tiered management and control based on the potential impact of risk factors on the group company to effectively handle major risk events. (3) Through interviews, it is learned that the directors of the evaluated enterprise have recognized the importance of sustainable operations and have specifically implemented it in the smartization of product processes, the development and sale of low-carbon products to end consumers, and the planning of long-term environmental sustainability goals. In addition, the evaluated directors also view talent cultivation as a key aspect of sustainable operations to ensure that the



Evaluation Item	Status of Implementation (Note)		Abstract Illustration	Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
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			<p>evaluated enterprise has sufficient competitiveness to recruit and retain professional talent.</p> <p>5. Evaluation results - Optimization Suggestions</p> <p>(1) Enhancing the diversity of the Board of Directors: The Company should evaluate suitable candidates to establish a director talent pool, ensuring the term of independent directors complies with legal regulations, and enhancing the future board's diversity in terms of expertise and age. In the future, consideration can also be given to establishing a Nominating Committee to enhance the Board of Directors' understanding and control over the company's succession plans.</p> <p>(2) Strengthen the documentation of Director's statements in the minutes of the Board of Directors meetings: Through interviews, it is understood that before meetings, the Composition of the Board of Directors of the evaluated company discusses the background of proposals with the management team and exchanges ideas on the proposals via communication software. It is recommended that if a Director has significant opinions on major proposals during a meeting, these opinions should be recorded in the minutes summary to preserve a record of the Director's diligent supervision.</p> <p>(3) Strengthening the independence of the report acceptance channels: To strengthen independence, it is recommended that the Audit Committee or Independent Directors directly acquire relevant whistleblower information, and then designate appropriate personnel to conduct subsequent investigations. Alternatively, consideration can be given to engaging independent external agencies to provide dedicated whistleblowing email addresses or hotlines, further enhancing the independence of the receiving unit and encouraging internal whistleblowers to come forward.</p> <p>(4) Enhance the integrated risk management mechanism and increase the evaluation and discussion of development strategies: The evaluated company has already established regulations that include the supervision of existing or potential risk control matters by the Audit Committee. Risk assessments are carried out by the responsible risk evaluation units and overseen by the President's Office. It is recommended to further enhance the integration of group-wide risk identification and evaluation to facilitate comprehensive risk analysis by the Board of Directors and functional committees. Additionally, the evaluated company's operational development strategy has expanded from B2B to B2C in recent years. It is recommended that the Board of Directors increase the evaluation and discussion of key risks related to development strategies.</p> <p>(5) Assess the suitability of performance evaluation standards and establish a succession team:</p>	

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			<p>It is recommended that the evaluated company establish a succession team through methods such as implementing a layered talent pool and setting succession points, design differentiated rewards and retention schemes, and make promotion standards public to enhance employee trust. At the same time, appropriately introduce external professional consultants and collaboration channels. Finally, strengthen the succession mechanism through appropriate supervision by the Board of Directors and functional committees.</p> <p>6. The Company's future improvement plan The Company will use the external evaluation results of this Board of Directors performance and the optimization suggestions provided as a reference to continuously improve the Board's operating mechanisms and Corporate Governance system. The important improvement directions and related enhancement measures are planned as follows:</p> <p>(1) Enhancing the diversity of the Board of Directors: The Company itself plans to appoint one additional female director during the 2026 board re-election to achieve the gender diversity objective. In addition, in response to the increasing global focus on corporate sustainability, the Company intends to increase the number of directors with expertise in related fields to enhance the sustainable competitiveness of the Company and improve the function of the Board of Directors. In the future long-term goals, the feasibility and functionality of establishing a Nominating Committee will be studied and planned to enhance the overall effectiveness of corporate governance.</p> <p>(2) Strengthen the documentation of Director's statements in the minutes of the Board of Directors meetings: The Company itself will follow the recommendations such that when significant proposals are discussed in future Board of Directors meetings, if a Director presents significant opinions, these will be appropriately summarized in the minutes to preserve a record of the Director's diligent supervision.</p> <p>(3) Strengthening the independence of the report acceptance channels: The Company has established the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" to promote the reporting of any illegal behavior or violation of the Code of Conduct or the Ethical Corporate Management Principles. Multiple whistleblowing channels are available. Employees and external parties may report illegal, unethical, or dishonest conduct through the whistleblowing channels. In the future, suggestions will be made to draft additional measures to strengthen the independence of the report acceptance channels to achieve further improvement.</p> <p>(4) Enhance the integrated risk management mechanism and increase the evaluation and discussion of development strategies:</p>	



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			<p>The Company will strengthen the integration of group-wide risk identification and evaluation as recommended, and regularly report the company's transformation business strategies to the Board of Directors. This will facilitate integrated risk analysis by the Board of Directors and functional committees, enhancing discussions on risks related to operational strategies to strengthen operational resilience.</p> <p>(5) Assess the suitability of performance evaluation standards and establish a succession team: The Company itself will continue to review the appropriateness of the current performance evaluation and related support systems, ensuring alignment with the company's operational strategy and talent development direction. The Board of Directors will also continue to focus on the promotion of talent development and succession planning, ensuring the effective implementation of related measures through systematic review and tracking mechanisms to support the Company's long-term stable operation and sustainable development.</p> <p>II. Performance evaluation of the Board of Directors and individual board members</p> <ol style="list-style-type: none"> 1. The Company passed the Rules Governing the Performance Evaluation of the Board of Directors in November 2025, stipulating that the performance evaluation of the Board of Directors and individual Directors shall be executed at the end of each year. 2. The Secretariat of the Board is responsible for the execution of the performance evaluation of the Board of Directors and individual Directors which shall be conducted based on an internal self-evaluation. The results of performance assessments are used as basis for the Company's review and improvement and as reference in determining remuneration for individual Directors, their nomination and additional office term. 3. The Company completed the performance evaluation of the Board of Directors in January 2026 for the evaluation period from January 1 to December 31, 2025. The below summarizes the evaluation result: (1) Overall performance of the Board of Directors 	

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			<table border="1"> <thead> <tr> <th>Evaluation Method</th> <th>Score (Note)</th> <th>Evaluation results and remark</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td>4.75</td> <td rowspan="5">1.The evaluation result of the Board of Directors shows that the average scores of the five major dimensions are all above 4.6 points, an embodiment of a good evaluation result. 2.Looking forward to 2026, global inflationary pressures are easing, yet interest rate policies and geopolitical risks continue to influence crude oil prices and market demand. The restructuring of international supply chains and the trend towards net-zero carbon emissions also pose structural challenges to the long-term operations of the petrochemical industry. In the face of raw material cost fluctuations, narrowing interest margins, and increasingly stringent environmental regulations, the Company will continue to strengthen its risk management mechanisms and enhance operational resilience. In terms of strategy, we will mitigate single market risks through product portfolio optimization and diversification. At the same time, we actively promote energy conservation, carbon reduction, and process optimization to achieve sustainable business objectives. The Board of Directors and management team will closely monitor the industry's supply and demand cycles, carefully assess risks and opportunities, and promote the Company's stable growth.</td> </tr> <tr> <td>Improvement in the quality of decision-making of the Board of Directors</td> <td>5.00</td> </tr> <tr> <td>Composition and structure of the Board of Directors</td> <td>5.00</td> </tr> <tr> <td>Election and continuing education of the Directors</td> <td>4.60</td> </tr> <tr> <td>Internal control</td> <td>5.00</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>(2) Performance of individual director member</p> <table border="1"> <thead> <tr> <th>Evaluation Method</th> <th>Score (Note)</th> <th>Evaluation results and remark</th> </tr> </thead> <tbody> <tr> <td>Understanding of the Company's goals and tasks</td> <td>5.00</td> <td rowspan="6">The Director's self-evaluation result shows that the average score of the six aspects is above 4.9, which is a good evaluation result.</td> </tr> <tr> <td>Understanding of the Director's responsibilities</td> <td>5.00</td> </tr> <tr> <td>Degree of participation in the Company's operations</td> <td>4.90</td> </tr> <tr> <td>Management and communication of the internal relations</td> <td>4.94</td> </tr> <tr> <td>Expertise and continuing education of the Directors</td> <td>4.93</td> </tr> <tr> <td>Internal control</td> <td>4.93</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>4.The results of performance evaluation of the Board of Directors and individual director member have been submitted to the Board meeting in the first quarter of 2026.</p> <p>III.Evaluation of the Audit Committee's Performance</p> <p>1.The Audit Committee's performance evaluation cover the following items:</p>	Evaluation Method	Score (Note)	Evaluation results and remark	Degree of participation in the Company's operations	4.75	1.The evaluation result of the Board of Directors shows that the average scores of the five major dimensions are all above 4.6 points, an embodiment of a good evaluation result. 2.Looking forward to 2026, global inflationary pressures are easing, yet interest rate policies and geopolitical risks continue to influence crude oil prices and market demand. The restructuring of international supply chains and the trend towards net-zero carbon emissions also pose structural challenges to the long-term operations of the petrochemical industry. In the face of raw material cost fluctuations, narrowing interest margins, and increasingly stringent environmental regulations, the Company will continue to strengthen its risk management mechanisms and enhance operational resilience. In terms of strategy, we will mitigate single market risks through product portfolio optimization and diversification. At the same time, we actively promote energy conservation, carbon reduction, and process optimization to achieve sustainable business objectives. The Board of Directors and management team will closely monitor the industry's supply and demand cycles, carefully assess risks and opportunities, and promote the Company's stable growth.	Improvement in the quality of decision-making of the Board of Directors	5.00	Composition and structure of the Board of Directors	5.00	Election and continuing education of the Directors	4.60	Internal control	5.00	Evaluation Method	Score (Note)	Evaluation results and remark	Understanding of the Company's goals and tasks	5.00	The Director's self-evaluation result shows that the average score of the six aspects is above 4.9, which is a good evaluation result.	Understanding of the Director's responsibilities	5.00	Degree of participation in the Company's operations	4.90	Management and communication of the internal relations	4.94	Expertise and continuing education of the Directors	4.93	Internal control	4.93	
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Degree of participation in the Company's operations	4.75	1.The evaluation result of the Board of Directors shows that the average scores of the five major dimensions are all above 4.6 points, an embodiment of a good evaluation result. 2.Looking forward to 2026, global inflationary pressures are easing, yet interest rate policies and geopolitical risks continue to influence crude oil prices and market demand. The restructuring of international supply chains and the trend towards net-zero carbon emissions also pose structural challenges to the long-term operations of the petrochemical industry. In the face of raw material cost fluctuations, narrowing interest margins, and increasingly stringent environmental regulations, the Company will continue to strengthen its risk management mechanisms and enhance operational resilience. In terms of strategy, we will mitigate single market risks through product portfolio optimization and diversification. At the same time, we actively promote energy conservation, carbon reduction, and process optimization to achieve sustainable business objectives. The Board of Directors and management team will closely monitor the industry's supply and demand cycles, carefully assess risks and opportunities, and promote the Company's stable growth.																																
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			<p>(1) Degree of participation in the Audit Committee. (2) Understanding of the Audit Committee's roles and responsibilities. (3) Improvement in the Audit Committee's decision-making quality. (4) Composition of the Audit Committee and selection of committee members. (5) Internal control.</p> <p>2. The performance evaluation of the Audit Committee is conducted by the Accounting Division using an internal questionnaire self-evaluation to evaluate the operation of the Audit Committee. The results of performance assessment will be adopted as reference for the Company's review and improvement.</p> <p>3. Upon full collection of the questionnaires in January each year, the Company's Accounting Division will report the results to the Board of Directors in accordance with the Regulations Governing the Evaluation of the Performance of the Board of Directors.</p> <p>4. The Company completed the performance evaluation of the Audit Committee in January 2026 for the evaluation period from January 1 to December 31, 2025. The results of the performance evaluation of the Audit Committee was reported to the Board of Directors for review and improvement on March 12, 2026 with a view to accurately assessing and monitoring the Company's existing or potential risks.</p> <p>5. The evaluation results for each category are as follows:</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Audit Committee.</td> <td>4.94</td> <td rowspan="5">The evaluation result of the Audit Committee shows that the average scores of the five major dimensions are all above 4.9 points, an embodiment of a good evaluation result.</td> </tr> <tr> <td>Understanding of the Audit Committee's roles and responsibilities</td> <td>4.95</td> </tr> <tr> <td>Improvement in the Audit Committee's decision-making quality</td> <td>5.00</td> </tr> <tr> <td>Composition of the Audit Committee and selection of committee members</td> <td>5.00</td> </tr> <tr> <td>Internal control</td> <td>5.00</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>IV. Performance evaluation of the Remuneration Committee</p> <p>1. The Remuneration Committee's performance evaluation covers the following four items: (1) Degree of participation in the Remuneration Committee. (2) Understanding of the Remuneration Committee's roles and responsibilities. (3) Improvement in the Remuneration Committee's decision-making quality. (4) Composition and member selection of the Remuneration Committee.</p> <p>2. The performance evaluation of the Remuneration Committee is conducted by the Human Resource Division through an internal questionnaire self-evaluation which is filled out by the members of the Committee. The results of performance assessment will be adopted as reference for the Company's review and improvement.</p> <p>3. The Company completed the performance evaluation of the Remuneration Committee in January 2026 for the evaluation period from January 1, 2025 to December 31, 2025.</p>	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Audit Committee.	4.94	The evaluation result of the Audit Committee shows that the average scores of the five major dimensions are all above 4.9 points, an embodiment of a good evaluation result.	Understanding of the Audit Committee's roles and responsibilities	4.95	Improvement in the Audit Committee's decision-making quality	5.00	Composition of the Audit Committee and selection of committee members	5.00	Internal control	5.00	
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			<p>The evaluation results for 2025 were good in all aspects, and have been submitted to the Board of Directors for review on March 12, 2026 as a reference basis for further improvement.</p> <p>4. The evaluation results for each category are as follows:</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Remuneration Committee.</td> <td>4.88</td> <td rowspan="4">The Remuneration Committee's self-evaluation result shows that the average score of the four aspects is above 4.8, which is a good evaluation result.</td> </tr> <tr> <td>Understanding of the Remuneration Committee's roles and responsibilities</td> <td>5.00</td> </tr> <tr> <td>Improvement in the Remuneration Committee's decision-making quality</td> <td>5.00</td> </tr> <tr> <td>Composition and member selection of the Remuneration Committee</td> <td>5.00</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>V. Sustainability Council Performance Evaluation</p> <p>1. The Sustainability Council's performance evaluation covers the following four items:</p> <ol style="list-style-type: none"> (1) Degree of participation in the Sustainability Council. (2) Responsibility awareness of Sustainability Council. (3) Improvement in the Sustainability Council's decision-making quality. (4) Composition of the Sustainability Council and selection of committee members. <p>2. The performance evaluation of the Sustainability Council is conducted by the General Manager's Office through an internal questionnaire self-evaluation which is filled out by the members of the Committee. The results of performance assessment will be adopted as reference for the Company's review and improvement.</p> <p>3. The Company completed the performance evaluation of the Sustainability Council in January 2026 for the evaluation period from January 1 to December 31, 2025. The evaluation results for 2025 were good in all aspects, and have been submitted to the Board of Directors for review on March 12, 2026 as a reference basis for further improvement.</p> <p>4. The evaluation results for each category are as follows:</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Sustainability Council.</td> <td>5.00</td> <td rowspan="4">The Committee's self-evaluation result shows that the average score of the five aspects is above 4.9, which is a good evaluation result.</td> </tr> <tr> <td>Responsibility awareness of Sustainability Council</td> <td>4.96</td> </tr> <tr> <td>Improvement in the Sustainability Council's decision-making quality</td> <td>5.00</td> </tr> <tr> <td>Composition of the Sustainability Council and selection of committee members</td> <td>5.00</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p>	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Remuneration Committee.	4.88	The Remuneration Committee's self-evaluation result shows that the average score of the four aspects is above 4.8, which is a good evaluation result.	Understanding of the Remuneration Committee's roles and responsibilities	5.00	Improvement in the Remuneration Committee's decision-making quality	5.00	Composition and member selection of the Remuneration Committee	5.00	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Sustainability Council.	5.00	The Committee's self-evaluation result shows that the average score of the five aspects is above 4.9, which is a good evaluation result.	Responsibility awareness of Sustainability Council	4.96	Improvement in the Sustainability Council's decision-making quality	5.00	Composition of the Sustainability Council and selection of committee members	5.00	
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(IV) Does the Company regularly evaluate the independence of CPAs?	✓	<p>The Company's Audit Committee and Board of Directors assess the independence and suitability of its CPAs annually. In addition to requiring the member team of CPAs to provide "Statement of Independence" and "Audit Quality Index (AQIs)", the audit Committee evaluates the independence and suitability of its CPAs in accordance with the criteria in the following table and the five dimensions of AQI index (including 13 indicators). Having confirmed that it has no financial interest or business relationship with the Company other than verification and tax case expenses, that its family members do not violate the independence requirement, and having confirmed with reference to the AQI indicators information that the CPAs and firms are above the industry average in terms of auditing experience. In addition, digital technology will be applied, communication and cooperation with the audit support center will be strengthened, project management will be enhanced, and a cloud audit platform will be introduced to improve audit quality. The results of the latest annual evaluation were discussed and approved by the 11th meeting of the 4th Audit Committee on March 12, 2026, and submitted to the 12th meeting of the 21st Board of Directors on the same day for the independence and suitability evaluation of CPAs.</p> <p>Evaluation of the Independence of CPAs:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Item</th> <th style="width: 10%;">Evaluation results</th> <th style="width: 20%;">Whether the CPA is independent</th> </tr> </thead> <tbody> <tr> <td>1. 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The CPA may not permit others to practice under his/her name.</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td>7. The CPA does not own any shares of the Company and its affiliated companies.</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td>8. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td>9. There is no joint investment or interest sharing relationship with the Company or affiliated enterprises.</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td>10. 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The CPA has not collected any commission related to his/her service.</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td>15. As of now, the CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or cause damage to the principle of independence.</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> </tbody> </table>	Item	Evaluation results	Whether the CPA is independent	1. As of the most recent assurance operation, no CPA has yet to be replaced for seven years.	Yes	Yes	2. The CPA does not have significant financial interest in his/her trustor.	Yes	Yes	3. The CPA avoids any inappropriate relationship with his/her trustor.	Yes	Yes	4. The CPA shall ensure that his/her assistants are honest, fair and independent.	Yes	Yes	5. The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies.	Yes	Yes	6. 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IV. Has the TWSE/TPEX Listed Company set up a full-time (part-time) unit or appointed designated personnel to handle governance related affairs (including but not limited to supplying information requested by the directors and supervisors, processing company registration and change of registration and preparing minutes of the board meetings and shareholders' meetings)?	✓		<p>In order to safeguard the interests of the shareholders and strengthen the functions of the Board of Directors, the Company has appointed Chen, Yung-Chih, Head of Legal Division, as the Corporate Governance Officer, the top-level manager in charge of corporate governance, as approved by the Board of Directors on May 13, 2019. Mr. Chen, Yung-Chih has more than 20 years of experience as a practicing lawyer and over 10 years of experience as a legal director of listed companies. His main duties include related affairs of board meetings and shareholders' meetings, production of meeting minutes for board meetings and shareholders' meetings, assisting Directors in taking office and continuing education, providing data required by Directors to perform their duties, assisting Directors in legal compliance, reporting to the Board on the nomination of independent directors, checking the result of whether the qualifications comply with the relevant laws and regulations at the time of appointment and during the term of office, handling the related matters of Director change and so on.</p> <p>The key points of business operations in 2025 were as follows:</p> <p>I. Assist Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies:</p> <ol style="list-style-type: none"> 1. Compile the latest laws and regulations related to the business areas and corporate governance of the Company, put them forward at the Board of Directors meeting for discussion, and keep members of the Board informed accordingly from time to time. 2. Assist Directors, upon request, in understanding the regulations to be complied with in the execution of their business. 3. Provide corporate information required by the Directors and assist them with communication and interaction with supervisors in various business categories. 4. Assisted Independent Directors in arranging meetings with the head of internal audit or CPAs when there is a need for Independent Directors to meet them in order to understand the Company's financial operations. 5. Assist the Company in arranging at least six hours of continuing education for Board members. 6. Verified that the Company has purchased the liability insurance for "Directors and key persons" for members of the Board of Directors and reported to the Board of Directors. <p>II. Organized matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirmed compliance matters of resolutions:</p>	No material discrepancy																					



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			<p>1. Prepare notice and agenda of Board of Directors meetings in accordance with laws; where Directors have to recuse themselves from the agenda items, they shall be reminded beforehand; the minutes shall be prepared within the statutory period.</p> <p>2. Register the date of the shareholders' meeting in advance according to the law and prepare the meeting notice, handbook, and meeting minutes within the statutory time limit.</p> <p>3. Confirm that the convening of the Board of Directors meetings and shareholders' meetings, procedures for resolutions, and minutes of the said meetings are in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles.</p> <p>4. Handle matters related to the change of registration for the Board of Directors and Shareholders' meetings.</p> <p>III. Confirm the matters of the independent director qualifications and handling of Director changes:</p> <p>1. Confirm the qualifications of independent directors are in compliance with relevant laws and regulations at the time of nomination, election and tenure, and report the inspection results to the Board of Directors.</p> <p>2. Handle related matters in according to the law regarding directors' changes.</p> <p>IV. Maintain relations with investors: The Company updates website information from time to time to keep investors abreast of the Company's financial, business, and corporate governance information and protect the interests of shareholders.</p> <p>Directors' continuing education in 2025 is as follows: Pursuant to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", a listed company shall arrange continuing professional education for its corporate governance officer. A newly appointed chief corporate governance officer shall complete a minimum of 18 CPE hours within the year from the person's appointment and a minimum of 12 CPE hours per year in each following year. In 2025, Chen, Yung-Chih, corporate governance officer of the Company, has completed 50 hours of continuing education. For details, please refer to page 30.</p>	
V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	✓		<p>The Company has set up a stakeholders' section under Corporate Sustainable Development on its website, which features the categories of stakeholders and contact information as channels of communication. We disclose issues related to frequency, response methods, quality, the environment, occupational safety and health policies, employee rights, as well as social and product liabilities. In addition, the Company has appointed dedicated personnel in charge of the collection and disclosure of company information, and has implemented a spokesperson system. Communication can be performed through interviews, telephone calls, or dedicated mailboxes. For the communication with various stakeholders, please refer to https://www.usife.com/ESG/zh-tw/ESG13.aspx. The report</p>	No material discrepancy

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			was submitted to the Board of Directors on March 12, 2026. For the status of reports made to the Board of Directors, please refer to page 58.	
VI. Does the Company commission a professional shareholder services agency to arrange shareholders' meetings and other relevant affairs?		✓	The Company takes charge of its own shares-related affairs, and handles matters related to Shareholders' meetings in accordance with the law.	The Company handles its own shares-related affairs to ensure quality and efficiency.
VII. Information Disclosure				
(I) Has the Company established a website to disclose information on financial operations and corporate governance?	✓		The Company has set up a website (https://www.usife.com) and regularly discloses company information.	No material discrepancy
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	✓		The Company has appointed dedicated personnel in charge of the collection and disclosure of company information, and has implemented a spokesperson system. English website: https://www.usife.com/USIEnHome Investor conference: https://www.usife.com/zh-tw/dirInvestor/frmInvestor7	No material discrepancy
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month ahead of schedule before the specified deadline?		✓	The Company has not announced and declared its annual financial report within two months after the end of the fiscal year but has announced and declared its quarterly financial reports, monthly revenue, and endorsement and guarantee information in advance of the specified period.	No material discrepancy
VIII. Has the Company provided important information to better understand the state of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, progress of training of directors and supervisors, risk management policy and implementation of risk impact standards, implementation of customer policies, and the Company's purchase of liability insurance for its directors and supervisors)?	✓		I. The Company itself is committed to establishing a comprehensive employee well-being system. It provides professional psychological counseling and guidance through Employee Assistance Programs (EAPs) and regularly holds Wellbeing seminars while implementing Friendly Workplace guidelines. We actively assist our colleagues in addressing various challenges in work and life by taking a multi-faceted approach that encompasses physical health (annual health checkups, fitness facilities), psychological relief (outdoor activities, counseling care), and life security (group insurance), thereby achieving a balance between work and life. II. The Company has always been committed to the principle of equal opportunities, and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation, and limits the career development of employees. III. In regards to the promotion of environmental protection and occupational safety and health, the Company not only complies with the relevant laws and regulations, but also expects to meet internationally recognized standards, where the Company has successfully obtained ISO 9001, ISO 14001, ISO 45001, ISO 50001 (Energy management system), and ISO 14067 (Carbon footprint). Starting in 2024, the inventory and assurance for greenhouse gases of subsidiaries in the consolidated financial statements are conducted annually, ahead of the 2027 regulatory schedule. The Company actively promotes energy conservation, disaster prevention, pollution	No material discrepancy



Evaluation Item	Status of Implementation (Note)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			<p>prevention and other improvement activities to reasonably ensure a safe working environment. To enhance self-inspection, the Company has established the Group Safety and Health Partners Regional Joint Rescue system led by the South Labor Inspection Institute, and actively participates in the events organized by Renda Safety and Health Promotion Association.</p> <p>IV. The Company actively attends activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, participates in community events, and cares for product protection in order to create a better living environment. Additionally, the Company also helps contractors by building a safe and health-conscious environmental management system to ensure safety at work.</p> <p>V. The Company has appointed a spokesperson to answer various types of questions raised by shareholders and serves as the bridge to connect the Company with its shareholders. Additionally, the Company maintains contact with its major shareholders.</p> <p>VI. The Company encourages its directors to participate in continuing education. In addition to providing its directors with details on continuing education, the Company also organizes such courses from time to time and invites its directors to attend courses related to corporate governance.</p> <p>VII. Implementation of risk management policies and risk measurement standards: The Company has established operating procedures and internal control systems, and possesses clear rules and regulations on authorized limits. The Company also performs internal audit to control risks. The implementation status shall be reported to the Board of Directors at least quarterly by the audit officer.</p> <p>VIII. Implementation of consumer protection or customer policy: The Company has formulated its quality policy in order to improve product and service quality, as well as continuously strives to enhance customer satisfaction. The Company also maintains good relationships with suppliers based on the principles of good faith and mutual benefits.</p> <p>IX. The Company has purchased liability insurance for its directors.</p> <p>X. Since 2022, the Company has been compiling the "Sustainability Report" (Corporate Social Responsibility Reports published in previous years has been disclosed on the Company's website.) to disclose the implementation of employee rights, employee care, investor relations, supplier relations, rights of stakeholders, Directors' training records, the implementation of risk management policies and risk evaluation measures, and the implementation of client relations policies.</p> <p>XI. Implement a robust intellectual property management framework to fortify our industrial leadership and secure superior returns through high-value product offerings and premium services.</p>	
<p>IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved. (Leave this section blank if the Company is not included in the evaluation process)</p>				

Evaluation Item	Status of Implementation (Note)		Abstract Illustration	Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	<u>Yes</u>	<u>No</u>		
<p>Improvements:</p> <p>(I) Written regulations regarding financial business transactions between related parties have been established, including management procedures for transactions such as the purchase and sale of goods, and the acquisition or disposal of assets. Major related transactions must be approved by resolution of the Board of Directors and reported to or agreed upon by the shareholders' meeting. (No. 1.2)</p> <p>(II) The "Corporate Value Enhancement Plan" section has been reported to the Board of Directors and disclosed on the MOPS. (No. 1.5)</p> <p>(III) The "Board of Directors Performance Evaluation Regulations" specify that an external evaluation must be conducted at least once every three years; the most recent external evaluation has been successfully executed. (No. 2.23)</p> <p>(IV) Dedicated funds by the company are invested in supporting domestic cultural development. (No. 4.22)</p>				

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



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

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

1. Information regarding the members of the Remuneration Committee

December 31, 2025

Identification Type (Note 1)	Criteria	Professional qualifications and experience (Note 2)	Independence situation (Note 3)	Number of other public companies in which the member also serves as a member of the Remuneration Committee
	Name			
Independent Director (Convener)	Hai, Ying-Chun	As the chairman of Delta Electronics, with experience in setting the Company's business development direction, planning the organizational structure, promoting and implementing strategic innovation, strengthening corporate governance and the functioning of the Board of Directors.	The four independent directors listed on the left, in the two years prior to their election and during their term of office, did not have the situation described in Item 1 of Article 3 of "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	0
Independent director	Chen Chung	He is currently a Chair Professor of Law and Business at Soochow University. He has served as the dean of the administration, the head of the Ministry of Finance and Economics, and the head of the financial sector. He has written extensively on the state of the financial sector and related public policy issues, and has professional experience in strengthening corporate governance and the functioning of the board.		0
Independent director	Tu, Tzu-Chun	He was adjunct Associate Professor in the Department of Business Administration of Soochow University, Vice President of the Executive Yuan and head of the Ministry of Finance and Economics. Currently, he serves as a director of several listed companies, with experience in industrial development planning, industrial technology research and development and management.		2
Independent director	Chen, Sheng-Te	He has served as the chairman of Fubon Bank and Zhuoyi Capital, and has rich working experience in finance, investment and other professional fields besides enterprise management experience.		1

Note 1: Please specify the relevant seniority, professional qualifications, experience, and independence of the members of the Remuneration Committee in this form. For independent directors, please refer to Attached Table 1 (I) of Directors and Supervisors on page 11. Please specify as independent director or other (note if convener).

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

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

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



2. Responsibilities:

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

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

Three meetings were held this year, and the main tasks are summarized as follows:

- (1) Review the compensation of Directors and Managerial Officers: Based on the policies, systems, standards, and structure of remuneration and evaluation results, and by referring to factors such as median pay in the industry, individual time commitment, responsibilities, achievement of personal goals, remuneration of equivalent positions, the attainment of the Company's short and long-term performance targets, and the Company's financial position to assess the rationality of compensation for Directors and Managerial Officers.
- (2) Review and revise relevant regulations to ensure appropriateness and legality, including: the Organizational Rules of the Remuneration Committee, the Remuneration Policy for Directors and Managerial Officers, the Board of Directors Performance Evaluation Regulations, and the Managerial Officers Performance Assessment Methods.
- (3) Conduct market remuneration comparison for Directors and Managerial Officers.
- (4) Review of the self-evaluation results of the Performance evaluation of the Remuneration Committee
- (5) Annual work plan planning

3. Operations of the Remuneration Committee

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



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

Other matters to be noted:

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

Remuneration Committee	Resolution and Follow-up Actions	Dissenting Opinions or Qualified Opinions of Members of the Remuneration Committee
5th Term 6th Meeting 2025.03.10	1.The Company's 2024 remuneration distribution report for Directors and employees.	None.
	2.The Company itself 2024 special bonus for managerial officers.	None.
	3.Review of the remuneration policy and the performance evaluation system for Directors and managerial officers.	None.
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	
5th Term 7th Meeting 2025.08.08	1.Annual salary adjustment.	None.
	2.Revise certain articles in the Board of Directors Performance Evaluation method.	None.
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was unanimously passed by the Committee Members in attendance and submitted for discussion by the Board of Directors.	
	The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	



Remuneration Committee	Resolution and Follow-up Actions	Dissenting Opinions or Qualified Opinions of Members of the Remuneration Committee
5th Term 8th Meeting 2025.11.10	1.Revise certain articles in the Board of Directors Performance Evaluation method.	None.
	2.Amended the Company's "Remuneration Committee Charter".	None.
	3.Establish 2026 Business Plan of the Committee.	None.
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was unanimously passed by the Committee Members in attendance and submitted for discussion by the Board of Directors.	
	The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	

Note:

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

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



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

Items affected	Implementation (Note 1)			Discrepancies from "the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
I. Does the Company have a governance structure to promote sustainable development and a dedicated (and part-time) unit to promote sustainable development that is handled by senior management authorized by the Board of Directors and supervised by the Board of Directors? (TWSE/TPEX Listed Companies shall report the implementation situation, not compliance or interpretation.)	✓		<p>I. The Company itself has established a Sustainability Council, which is a functional committee under the Board of Directors.</p> <p>II. The Committee consists of the Chairman, the General Manager, and two Independent Directors as approved by the Board of Directors. An Independent Director serves as the chief commissioner and the General Manager serves as the deputy chief commissioner. Under the Committee are a secretary and three teams, namely the Corporate Governance Team, Environmental Protection Team, and Social Relations Team. Each working group is composed of members assigned by the relevant department representatives, responsible for promoting sustainable development-related tasks. The project secretary is responsible for integrating the annual plans and execution results of each working group and reporting them to the committee. After the annual plan and execution results are reported to the committee, they will be submitted to the Board of Directors.</p> <p>III. The main responsibilities of the Sustainability Council are as follows:</p> <ol style="list-style-type: none"> 1. Agree on sustainable development policies. 2. Agree on sustainable development strategic plan, annual plan and project plan. 3. Supervise the implementation of sustainable development strategy planning, annual plan and project plan, and evaluate the implementation. 4. Review the Sustainability Report. 5. Annual report to the Board of Directors on the annual results of sustainable development. 6. Other matters directed by the Board resolution to be handled by the Committee. <p>IV. The committee holds at least two meetings per year. In 2025, two ESG Committee meetings were held on March 10 and August 8, with reports submitted to the Board of Directors. The committee reported to the Board on key stakeholder issues, communication channels, and actual execution results for the year. The proposal includes:</p> <ol style="list-style-type: none"> 1. Greenhouse gas inventory and verification performance. 2. Stakeholder agreement results, including stakeholder identity, issues of concern, communication channels and response methods. 3. Sustainable development performance and future promotion goals. 4. Implementation progress and planning of the Sustainability Report. <p>The agenda items, after being reviewed and approved by the Sustainability Committee, were submitted to the Board for reporting. The committee will report to the Board of Directors on the implementation of sustainable development annually. Please refer to the Corporate Sustainability website: "Sustainability Council" under Corporate Governance and Operational Effectiveness/Under the Board and Functional Committee. https://www.usife.com.tw/ESG/zh-tw/ESG21.aspx</p> <p>V. Oversight of the Board of Directors The Board of Directors oversees and reviews the Company's management strategies and objectives in the areas of governance, environment, and society. It monitors progress and performance, approves the Sustainability Report, and provides strategic guidance and direction on key sustainability issues.</p>	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

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<p>II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (TWSE/TPEX Listed Companies shall report the implementation situation, not compliance or interpretation.) (Note 2)</p>	✓		<p>I. The disclosure period for this data is the sustainable development performance from January 1, 2025 to December 31, 2025. The risk assessment boundary is primarily focused on the Company itself, including the Taipei Headquarters, Kaohsiung Plant, and Guishan R&D Center. However, subsequent greenhouse gas inventories and disclosure of some climate change risks are aligned with the regulatory schedule of the competent authority and the Group management policy, extending the boundary to cover subsidiaries in the consolidated financial report.</p> <p>II. The working group of the Sustainability Council referenced international sustainability norms and standards (GRI Universal Standards: 2021, SASB, SDGs, TCFD) along with the Company's operational goals and vision, to collect and compile the Company's sustainability issues. Through internal (chief) and external (stakeholder) questionnaires, the potential impact and likelihood of issues are investigated to determine the material issues in the areas of environmental, social, and corporate governance. The management approach and performance of significant issues are disclosed in the Sustainability Report to respond to the needs and expectations of stakeholders.</p> <p>III. According to the aforementioned materiality assessment principles, the risks identified as having significant materiality have the following relevant risk management policies or strategies:</p> <table border="1" data-bbox="913 790 1675 1241"> <thead> <tr> <th>Dimension</th> <th>Material issues</th> <th>Relevant management policies or strategies</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Environmental</td> <td>Climate change and energy management</td> <td> <ul style="list-style-type: none"> ✓ Continue to promote ISO 50001 Energy Use Management Systems ✓ Monitoring system and efficiency improvement ✓ Tracking of 2030 Carbon Reduction Target Management ✓ Response to Financial risks from climate change ✓ Green electricity procurement and implementation planning, and apply for green electricity certificates. </td> </tr> <tr> <td>Water resource management</td> <td> <ul style="list-style-type: none"> ✓ Promote water resource management ✓ water-saving amount ✓ Control of Water Usage per Unit Product ✓ Tracking of water-saving plan management </td> </tr> <tr> <td>Air pollution control</td> <td> <ul style="list-style-type: none"> ✓ Increase the frequency of inspections for equipment component leaks. ✓ Improvement of air pollution emissions. ✓ Compliance with laws and regulations </td> </tr> <tr> <td>Raw material management</td> <td> <ul style="list-style-type: none"> ✓ Improve the efficiency of ethylene usage (Tranche B) ✓ Application for ISO 14021 PIR (Pre-Consumer Material) Certification ✓ Implementation of ISCC Certification for Bio-Ethylene ✓ Recycling and Reduction of Packaging Materials </td> </tr> <tr> <td>Waste management</td> <td> <ul style="list-style-type: none"> ✓ Waste reduction ✓ Continue to promote the waste audit management system. </td> </tr> </tbody> </table>	Dimension	Material issues	Relevant management policies or strategies	Environmental	Climate change and energy management	<ul style="list-style-type: none"> ✓ Continue to promote ISO 50001 Energy Use Management Systems ✓ Monitoring system and efficiency improvement ✓ Tracking of 2030 Carbon Reduction Target Management ✓ Response to Financial risks from climate change ✓ Green electricity procurement and implementation planning, and apply for green electricity certificates. 	Water resource management	<ul style="list-style-type: none"> ✓ Promote water resource management ✓ water-saving amount ✓ Control of Water Usage per Unit Product ✓ Tracking of water-saving plan management 	Air pollution control	<ul style="list-style-type: none"> ✓ Increase the frequency of inspections for equipment component leaks. ✓ Improvement of air pollution emissions. ✓ Compliance with laws and regulations 	Raw material management	<ul style="list-style-type: none"> ✓ Improve the efficiency of ethylene usage (Tranche B) ✓ Application for ISO 14021 PIR (Pre-Consumer Material) Certification ✓ Implementation of ISCC Certification for Bio-Ethylene ✓ Recycling and Reduction of Packaging Materials 	Waste management	<ul style="list-style-type: none"> ✓ Waste reduction ✓ Continue to promote the waste audit management system. 	<p>Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>
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<p>III. Environmental Issues</p> <p>(I) Has the Company established an appropriate environmental management system based on the characteristics of the industry to which it belongs?</p> <p>(II) Is the Company committed to improving energy efficiency and using recycled materials with low environmental load impact?</p>	<p>✓</p> <p>✓</p>	<p>(I) The Company established the ISO 14001 environmental management system in 1998, which has been operating for more than 20 years and verified by the third-party. This environmental management system has provided the Company with an excellent environmental protection structure to control and reduce the impact on the environment, to prevent accidents from impacting the environment, and to ensure compliance with regulations. Greenhouse gas inventory is carried out annually according to ISO 14064-1. Additionally, since 2022, the Company has been implementing the ISO 50001 energy management system (the certification is valid from November 17, 2025 to November 16, 2028).</p> <p>(II) In terms of improving energy efficiency, six energy-saving initiatives were implemented in 2025, resulting in a total carbon reduction of 1,922 metric tons CO₂e, with an investment of NT\$10.88 million. Regarding raw material management and recycling, the current development direction of</p>	<p>Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>																			

Items affected	Implementation (Note 1)		Discrepancies from "the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
			Abstract Illustration
(III) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?	✓		<p>the Company is as follows:</p> <p>1.Raw material recycling The Company's product manufacturing process is committed to improving the efficiency of raw material recovery, hoping to reduce raw material consumption. The recovery methods include the high pressure recovery system improvement project of the second plant, setting up the Monomer Refine Tower (MRT), connecting new tower tanks with old tower tanks, installing a condenser at the front end of the Ethylene Purification Tower (EPT), and adding a new compressor leak gas recovery system. The recovery rate of raw materials is 13.9% in 2025.</p> <p>2.Application for ISO 14021 PIR (Pre-Consumer Material) Certification Waste materials (EVA/HDPE) generated during the production process are recycled and reused as plastic raw materials. Certification under ISO 14021 will be obtained in 2025.</p> <p>3.Implementation of ISCC Certification for Bio-Ethylene Bio-ethylene is derived from renewable resources and serves as an alternative to conventional petrochemical-based ethylene. It offers advantages such as reduced carbon emissions, lower carbon footprint, renewability, biodegradability, decreased reliance on fossil fuels, and support for a green economy and the use of renewable resources. As a recoverable and renewable green alternative material, bio-ethylene contributes to carbon reduction and environmental protection, playing a significant role in promoting sustainable economic development. This project is ongoing.</p> <p>(III) In order to implement the commitments to corporate sustainable development and to continuously manage the risks associated with climate change and response strategies and measures, in addition to following the energy conservation and carbon reduction targets set by the USI Group, the Company has referred to the identification process of climate risks and opportunities under the Task Force on Climate-related Financial Disclosures (TCFD) framework released by the Financial Stability Board (FSB) in 2017 to identify risks and opportunities while establishing response measures and implementing plans. Please refer to The Company itself's TCFD report https://www.usife.com.tw/ESG/zh-tw/ESG73.aspx, the Sustainability Report "4.5 Climate change and energy management" (https://www.usife.com.tw/ESG/zh-tw/ESG72.aspx), and the company's official website (https://www.usife.com/ESG/zh-tw/ESG35.aspx).</p>
(IV) Does the Company calculate the amount of greenhouse gas emission, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumptions, carbon and greenhouse gas emissions, and waste production?	✓		<p>(IV) In order to monitor the Company's greenhouse gas emissions and comply with the environmental regulation "Enterprises shall inventory, register, and verify emission sources of greenhouse gas emissions" (announced on February 2, 2024), annual greenhouse gas inventories are conducted for the Taipei Office, Guishan Laboratory, and Kaohsiung Plant. Additionally, since the combined Scope 1 and Scope 2 emissions at the Kaohsiung Plant exceed the regulatory threshold of 25,000 metric tons per year, annual inventories are conducted and reported to the Environmental Protection Administration. Emissions are consolidated using the operational control approach for major emission sources. In line with the government's GHG reduction policy, the Company has formulated energy conservation and carbon reduction plans for each unit and set plant-wide energy conservation and carbon reduction goals. In addition, the Company has also established a energy conservation and carbon reduction team with the help of the</p>



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			<p>affiliated companies of USI Corporation, and put together consistent approaches through resource integration and experience sharing in order to jointly promote practical and effective energy conservation and carbon reduction plans and perform quarterly review of implementation results.</p> <p>In line with the FSC's sustainable development roadmap for listed companies, the Company completed individual entity inventory and assurance in 2023, ahead of the 2024 regulatory schedule, and completed the inventory and assurance for consolidated subsidiaries in November 2024, ahead of the 2027 regulatory schedule. Relevant assurance information is provided in Appendix 2-2-3.</p> <p>•Greenhouse Gas Emissions (Based on Internal Inventory) The Company's greenhouse gas inventory covers the Kaohsiung Plant, Guishan R&D Division, and Taipei Headquarters, including Scopes 1, 2, and 3 emissions. The emissions for Scopes 1, 2, and 3 in 2024 amounted to 604,370 metric tons CO₂e/year. (Inventory and Assurance Completed) The internally inventoried emissions for Scopes 1, 2, and 3 in 2025 amounted to 586,230 metric tons CO₂e/year. (Based on internal inventory; certification expected by June 2026) The carbon dioxide emissions in 2024 and the greenhouse gas emissions (Scope 1 + Scope 2) in 2025 for the Company and its subsidiaries were 692,150 tons and 686,090 tons respectively, resulting in a reduction of 0.9%.</p> <p>Promotion of Energy Conservation and Carbon Reduction Measures</p> <ol style="list-style-type: none"> 1. Transition to low-carbon energy 2. Improvement of energy efficiency 3. Implementation of intelligent monitoring 4. Installation and utilization of renewable energy 5. Ongoing focus on low-carbon fuels 6. Carbon capture and reuse technologies 7. Negative emission technologies <p>•Total Water Withdrawal (USI Corporation Kaohsiung Plant): 938,423 million liters in 2024. 927,735 million liters in 2025.</p> <p>•Total Waste (USI Corporation Kaohsiung Plant): 559.75 metric tons in 2024. (94.03 metric tons of hazardous waste and 465.72 metric tons of non-hazardous waste.) 430.60 metric tons in 2025. (85.49 metric tons of hazardous waste and 345.11 metric tons of non-hazardous waste.)</p> <p>The implementation plans and results of energy conservation and carbon reduction, water conservation, and waste management policy in 2025 are as follows:</p> <p>I. Energy saving and carbon reduction:</p> <ol style="list-style-type: none"> 1. Target: <ol style="list-style-type: none"> (1) Annual electricity savings rate: 1.51%. (2) Greenhouse gas emissions (Scope 1 + Scope 2) have decreased by 15.5% compared to the base year.

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			<p>(3) A carbon reduction of 585 metric tons CO₂e is expected in 2025.</p> <p>2.Measures: Implementation of four energy-saving and carbon reduction initiatives.</p> <p>3.Results: (1) Annual electricity savings rate: 1.7% (Average electricity savings rate from 2015 to 2025: 1.48%). (2) Total greenhouse gas emissions (Scope 1 + Scope 2) amounted to 128,650 metric tons CO₂e. (3) A total of four energy-saving and carbon reduction projects were implemented, achieving a total carbon reduction of 1,922 metric tons CO₂e. (4) Finish ISO 14064-1 greenhouse gas emissions inventory and checking.</p> <p>II. Water saving (USI Corporation Kaohsiung Plant): 1.Target: water-saving amount: 46,000 metric tons/year, with a water saving rate of 4.4%, and a 0.5% reduction in unit water consumption compared to the baseline year of 2022, with a target of 4% in 2025. 2.Measures: Continuous wastewater monitoring and recycling. 3.Execution methods and results of 2025: (1) Improvements were made to the wastewater treatment system, MRT condensate water recycling, and the rainwater harvesting system of the detention basin. The total volume of water recycled throughout the year reached 65,605 metric tons, achieving a water saving rate of 6.6%, with a unit water consumption rate of 3.24%. (2) Received a CDP Water Security rating of Grade B (Management level). (3) Obtained ISO 46001:2019 Water Efficiency Management System certification in 2022 (valid from 2022 to 2025). (4) Acquired the Water Recovery Rate Verification Declaration from the Taiwan Industry Service Foundation in 2025, verifying the water recovery rate for the year 2024 as 91.4%.</p> <p>III.Methods and results of waste management implementation: 1.Target: To strengthen the control of waste flow direction. 2.Management policy: Audit on waste removal and disposal companies. 3.Implementation results: (1) Random inspection was conducted on 9 waste removal manufacturers and 8 waste disposal manufacturers, and the inspection results were all in line with relevant laws and regulations. (2) Four adsorption towers were upgraded: The old adsorption towers emitted approximately 5.6 metric tons of spent filling materials each time, whereas the new adsorption towers emit approximately 2 metric tons each time, reducing the output of spent filling materials by about 3.6 metric tons per emission. In 2025, the car was only used once, so the output of spent filling materials was about 2 metric tons.</p> <p>IV.Promote Circular Economy: To address resource consumption in the plastics industry and reduce environmental impact, The Company itself incorporates "enhancing resource use efficiency" and "developing green material cycles" into the core of its circular economy policy.</p>



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			<p>Through the recycling of raw materials in the production process and the integration of environmentally friendly materials, the Company promotes sustainable management throughout the entire lifecycle.</p> <p>The specific Status of Implementation in 2025 is as follows:</p> <p>(1) Closed-loop raw material recovery: In the product manufacturing process, techniques such as the improvement of the high pressure recovery system in the second plant and the setup of the Monomer Refine Tower (MRT) were introduced, significantly reducing raw material consumption. The 2025 raw material recycling rate reached 13.9%.</p> <p>(2) Acquisition of international recycling certification: Establishing a new recycling and regeneration system to convert waste materials (EVA/HDPE) produced during the manufacturing process into recycled plastic raw materials. Related ESG low-carbon footprint products officially obtained ISO 14021 (Pre-Consumer Material) international recycling certification in 2025.</p> <p>(3) Implementation of Low-carbon Green Materials: Continues to advance the ISCC Certification introduction program for bio-ethylene, using renewable resources to replace traditional petrochemical materials, reducing lifecycle carbon footprint.</p>	
<p>IV. Social Issues</p> <p>(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>(I)</p> <p>◎ Human Rights Policy The Company has made reference to internationally recognized human rights standards, including the International Bill of Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work to fully exercise CSR and implement human rights protection while upholding universal human rights values. Besides, the Company has established human rights policy applicable to the Company and all affiliates of the USI Group in March 2018, to eliminate human rights violations; as such, the Company's current employees, in addition to enjoying a reasonable and safe workplace, can be treated in a reasonable and dignified manner. (Please refer to the Company's website for details)</p> <p>◎ Human Rights Risk Identification and Assessment Human rights risk identification is conducted annually. Compliance checks and assessments are carried out on identified human rights issues. Based on the results of risk assessments and findings from internal and external audits, mitigation and corrective measures are implemented, and continuous improvements are made to achieve risk management objectives.</p> <p>The Company has established steps and procedures for each stage of human rights management as the foundation for safeguarding human rights, which include: Declaration Identification Assessment and Analysis Actions and Measures Reporting Human rights issues involve various departments and units. The Human Resources Department conducts human rights due diligence and risk management processes based on the affected parties and specific issues.</p>	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

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			<p>◎Human Rights Due Diligence Process</p> <table border="1"> <thead> <tr> <th>Stage</th> <th>Step</th> <th>Approach</th> </tr> </thead> <tbody> <tr> <td>Stage 1: Commitment</td> <td>Declaration</td> <td>Publicly commit to supporting and complying with international standards and local laws, and formulate a human rights policy.</td> </tr> <tr> <td rowspan="2">Stage 2: Management</td> <td>Identification</td> <td>Identify major human rights issues and affected parties based on the organization's nature and business operations.</td> </tr> <tr> <td>Assessment and Analysis</td> <td>The scope of the investigation is to regularly assess human rights impacts across all employees and service processes to understand the level of risk exposure.</td> </tr> <tr> <td rowspan="2">Stage 3: Response Measures</td> <td>Actions and Measures</td> <td>Develop various action plans based on the assessed level of human rights risk. Monitor implementation and performance of action plans and conduct communication to ensure effective human rights management. In the event of a human rights violation, provide compensatory measures including system improvements and material or psychological support.</td> </tr> <tr> <td>Reporting</td> <td>Internally report and discuss human rights management; publicly disclose practices and performance on the Company website.</td> </tr> </tbody> </table> <p>◎Human rights concerns and practices</p> <p>1. Provide a safe and healthy working environment The Company has passed ISO 14001 (Environmental Management System) valid until July 2, 2028, ISO 45001 (Occupational Safety and Health Management System) valid until April 16, 2028 and ISO 50001 (Energy management system) valid until November 16, 2028. The Company actively promotes improvement initiatives such as energy conservation and emission reduction, disaster prevention, and pollution control to ensure a safe and healthy working environment. In alignment with the USI Group's carbon reduction target—"a 27% reduction in carbon emissions by 2030 compared to 2017 levels"—the Company tracks and reviews progress annually, and implements concrete measures such as equipment upgrades, green power infrastructure development, and renewable energy procurement in a timely manner. In addition to providing a safe and healthy working environment based on laws and regulations, the Company has set up specialized units and committees for occupational safety and health, employs professional doctors and nursing staff, conducts regular education and training on safety and health, fire prevention and other related issues, and takes necessary preventive measures to prevent occupational disasters, so as to reduce the risk factors in the working environment.</p> <p>2. Friendly Workplace Diversity, Equity, and Inclusion (DEI). The Company respects gender, age and culture to create a friendly workplace where everyone can bring out their best. Create a diversified environment in the workplace that embraces people from different backgrounds, races, genders, sexual orientations, abilities, and perspectives; And provide employees with transparent hiring criteria, promotion opportunities, and compensation in a fair and inclusive manner with equal pay for equal work, to bridge the gap between different groups, ensure that every employee and contractual partner is respected and accepted, and can fully participate and contribute.</p>	Stage	Step	Approach	Stage 1: Commitment	Declaration	Publicly commit to supporting and complying with international standards and local laws, and formulate a human rights policy.	Stage 2: Management	Identification	Identify major human rights issues and affected parties based on the organization's nature and business operations.	Assessment and Analysis	The scope of the investigation is to regularly assess human rights impacts across all employees and service processes to understand the level of risk exposure.	Stage 3: Response Measures	Actions and Measures	Develop various action plans based on the assessed level of human rights risk. Monitor implementation and performance of action plans and conduct communication to ensure effective human rights management. In the event of a human rights violation, provide compensatory measures including system improvements and material or psychological support.	Reporting	Internally report and discuss human rights management; publicly disclose practices and performance on the Company website.
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			<p>Through publicity posters, seminars, and various educational training conducted annually, we continue to implement gender equality policies and prevent workplace violations, striving to provide employees and contractual partners with a dignified and friendly working environment.</p> <p>3.Prohibiting illegal discrimination to ensure equal work opportunities, etc The Company will implement the human rights policy in internal control procedures, in employment, compensation and benefits, training opportunities, promotion, dismissal or retirement and other labor rights and interests; Employees and job seekers shall not be treated unfairly based on race, class, language, ideology, religion, party, origin, birthplace, gender, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical and mental disorders, constellation, blood type, and other factors.</p> <p>4.No child labor To ensure compliance with corporate social responsibility and ethics, the Company has prohibited child labor since the beginning of recruitment. By the end of December 2025, the total number of the Company's employees is 410, including no child labor.</p> <p>5.Prohibit forced labor The Company does not force or coerce any unwilling personnel to perform labor acts. For the daily, weekly normal working hours and extended working hours, leave, special leave and other leave provisions are in line with the laws and standards. Set up a reminder function when employees in the attendance system apply for overtime work, provide overtime pay or compensatory leave after overtime work, and there are specially-assigned people to inspect and control the working hours of the plant every month.</p> <p>◎Human rights protection training practices</p> <p>1.Orientation Training Upon arrival, employees are required to conduct relevant legal compliance education and training, including sexual harassment prevention, anti-discrimination, anti-harassment, implementation of working hour management, and protection of humane treatment.</p> <p>2.Prevention of Workplace Violence Through publicity and announcements, employees are made aware of their responsibilities to help ensure that there is no illegal infringement in the workplace during the performance of their duties, and expose the complaint line to jointly create a friendly working environment.</p> <p>3.Occupational safety training Content includes: including safety and health education training, fire safety training, emergency response, first aid personnel training, etc.</p> <p>4.Integrity and moral advocacy Education and communication on the standards of daily behavior and ethics to provide a healthy and positive workplace culture.</p>

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			<p>◎ The Company continues to pay attention to human rights protection and carry out relevant training to improve the awareness of human rights protection and reduce the possibility of related risks. The course covers "Integrity Management and Legal Compliance": Focusing on Group Codes of Conduct (CoC) and prevention of legal risk (such as breach of trust) related courses, corresponding to corporate governance evaluation. "Occupational Safety and Health": Includes statutory safety education (pressure vessels, working at heights), first aid, firefighting skills, and process safety assessments, directly linking production stability with employee safety assurance. "Environmental Management and Emergency Response": Incorporates ISO 50001 energy management, toxic disaster response, and pollution prevention (air pollution response), demonstrating the company's control over environmental risks. "Human Rights and Friendly Workplace": Focuses on human rights education for new employees (sexual harassment prevention, anti-discrimination) and prevention of workplace violence, implementing the S (Social) dimension of humane treatment. In 2025, a total of 4,215 participants and 10,875.5 hours of training were held to promote human rights protection. The participants and training details are listed as follows:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Course Title</th> <th>Total Participants</th> <th>Total Training Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Ethical Management and Compliance</td> <td>USI Group Code of Conduct Training – Session I</td> <td>423</td> <td>423.0</td> </tr> <tr> <td>USI Group Code of Conduct Training – Session II</td> <td>409</td> <td>409.0</td> </tr> <tr> <td>Training focused on legal risk prevention (e.g., Breach of Trust)</td> <td>96</td> <td>171.0</td> </tr> <tr> <td>Human Rights and Friendly Workplace</td> <td>Human rights orientation for new hires (Sexual Harassment Prevention, Anti-discrimination) and Workplace Violence Prevention, implementing humane treatment under the Social pillar of ESG.</td> <td>203</td> <td>499.0</td> </tr> <tr> <td>Environmental Management and Emergency Response</td> <td>Inclusion of ISO 50001 Energy Management, Toxic Chemical Disaster Response, and Pollution Control (Air Pollution Emergency Response).</td> <td>184</td> <td>447.5</td> </tr> <tr> <td>Occupational Health and Safety</td> <td>Mandatory Safety Education (Pressure Vessels & High-Altitude Work), Emergency Response (First Aid & Firefighting), and Process Safety Assessment: Securing production stability and employee safety.</td> <td>2,900</td> <td>8,926.0</td> </tr> <tr> <td colspan="2">Total</td> <td>4,215</td> <td>10,875.5</td> </tr> </tbody> </table> <p>◎ Human rights risk mitigation measures The Company undertakes to ensure the safety of its employees and working environment, the respect and dignity of its employees, the environmental protection of its operations and the compliance with regulations and ethics. To demonstrate this commitment, we should respect employees based on integrity, assign special personnel to carry out employees' occupational safety and health operations in accordance with the law, implement human rights policies into daily operation in addition to continuous advocacy and education, and establish channels for reasonable complaints.</p> <p>◎ 2025 Human Rights Management Outcomes Based on the Company's "Human Rights Policy and Management Program," 13 human</p>	Type	Course Title	Total Participants	Total Training Hours	Ethical Management and Compliance	USI Group Code of Conduct Training – Session I	423	423.0	USI Group Code of Conduct Training – Session II	409	409.0	Training focused on legal risk prevention (e.g., Breach of Trust)	96	171.0	Human Rights and Friendly Workplace	Human rights orientation for new hires (Sexual Harassment Prevention, Anti-discrimination) and Workplace Violence Prevention, implementing humane treatment under the Social pillar of ESG.	203	499.0	Environmental Management and Emergency Response	Inclusion of ISO 50001 Energy Management, Toxic Chemical Disaster Response, and Pollution Control (Air Pollution Emergency Response).	184	447.5	Occupational Health and Safety	Mandatory Safety Education (Pressure Vessels & High-Altitude Work), Emergency Response (First Aid & Firefighting), and Process Safety Assessment: Securing production stability and employee safety.	2,900	8,926.0	Total		4,215	10,875.5
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			<p>rights issues were identified through risk assessment during the year. Among them, 9 were classified as critical management items, including: "workplace inclusiveness," "forced labor," "excessive working hours," "sexual harassment," "unlawful workplace violations," "employing child labor," "personal data and privacy protection," "occupational safety management," and "employment and workplace discrimination." For the identified critical issues with potential risks (refer to the 2025 Human Rights Risk Assessment Management Table), the Company has implemented risk mitigation and impact compensation measures, with a 100% implementation rate for impact compensation. The following mitigation and compensation measures have been implemented:</p> <table border="1"> <thead> <tr> <th>Issues</th> <th>Mitigation Measures</th> <th>Compensation Measures</th> <th>Impact compensation implementation rate (%)</th> <th>Outcomes</th> </tr> </thead> <tbody> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">excessive working hours</td> <td> <ol style="list-style-type: none"> In accordance with labor laws regarding working hours, the Company's regulations undergo regular compliance reviews to ensure enforcement. Through the attendance and overtime management system, accurately record employees' attendance time. The system sends daily reminders for clock-in and clock-out time overruns, reminding employees of the normal work hours and extended work hour regulations, and confirming whether the late departure constitutes overtime work. If it is overtime, they can choose to receive either overtime pay or compensatory leave. Regularly review the overtime situation of each unit. Promote the digitization and intelligent production of the group to simplify administrative processes. Continuously offer professional training courses and introduce generative AI tool training projects to enhance employee skills and improve office work efficiency. </td> <td> <ol style="list-style-type: none"> If employees work overtime, they are paid overtime wages according to the law. Understand the workload and reasons for overtime, actively improve and optimize operations, and assist in enhancing work efficiency. Individuals with excessive working hours are included in the list for abnormal workload identification and risk investigation. Regular employee health checks are conducted, and adjustments are made to the relevant operations and manpower conditions as appropriate. Understand the workload and reasons for overtime, actively improve and optimize operations, and assist in enhancing work efficiency. </td> <td>100%</td> <td>The system confirms the reasons for time overruns daily. If excessive working hours occur, the appropriate overtime pay or compensatory leave will be provided according to the Compensation Measures, and adjustments will be made to the relevant operations and manpower conditions as appropriate.</td> </tr> </tbody> </table>	Issues	Mitigation Measures	Compensation Measures	Impact compensation implementation rate (%)	Outcomes	excessive working hours	<ol style="list-style-type: none"> In accordance with labor laws regarding working hours, the Company's regulations undergo regular compliance reviews to ensure enforcement. Through the attendance and overtime management system, accurately record employees' attendance time. The system sends daily reminders for clock-in and clock-out time overruns, reminding employees of the normal work hours and extended work hour regulations, and confirming whether the late departure constitutes overtime work. If it is overtime, they can choose to receive either overtime pay or compensatory leave. Regularly review the overtime situation of each unit. Promote the digitization and intelligent production of the group to simplify administrative processes. Continuously offer professional training courses and introduce generative AI tool training projects to enhance employee skills and improve office work efficiency. 	<ol style="list-style-type: none"> If employees work overtime, they are paid overtime wages according to the law. Understand the workload and reasons for overtime, actively improve and optimize operations, and assist in enhancing work efficiency. Individuals with excessive working hours are included in the list for abnormal workload identification and risk investigation. Regular employee health checks are conducted, and adjustments are made to the relevant operations and manpower conditions as appropriate. Understand the workload and reasons for overtime, actively improve and optimize operations, and assist in enhancing work efficiency. 	100%	The system confirms the reasons for time overruns daily. If excessive working hours occur, the appropriate overtime pay or compensatory leave will be provided according to the Compensation Measures, and adjustments will be made to the relevant operations and manpower conditions as appropriate.	
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			<p>◎ Assist employees to maintain physical and mental health and work life balance</p> <p>1. To safeguard employee health, the Company commissions major hospitals to conduct annual health checkups and submits reports to the competent authority as required. In addition, special health examinations are conducted for plant employees to ensure workplace safety and health management.</p> <p>2. The Company provides venues or sponsorship funds to encourage employees to participate in health activities. Employees form their own clubs to unite the emotions of colleagues through club activities.</p> <p>3. Besides holding year-end banquets, Mid-Autumn evening party, guessing lantern riddles and other activities to adjust the body and mind of employees and cohesion of the centripetal force, the Company also sets sports and fitness equipment for employees to use after work.</p> <p>4. To encourage employees to maintain physical and mental health and achieve a work-life balance, the Company launched the "TSRC Group Walking Activity" in the Taipei region in 2025. The activity encourages employees to walk 6,000 steps daily, helping them develop a regular exercise habit amidst their busy work schedules. Employees collectively convert their accumulated steps into corporate tree planting initiatives, achieving the dual values of promoting health and environmental</p>						



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			<p>sustainability. In this process, employees not only enhance their physical and mental vitality but also strengthen workplace cohesion and morale through teamwork and mutual encouragement.</p> <p>5.Establishing EAP (Employee Assistance Program) aims to "assist employees in resolving personal issues that affect work performance," using professional, confidential, and free services to help employees restore their physical and mental health, thereby maintaining or enhancing work performance and quality of life. Employees can access assistance services through (0800) telephone, email, Line, and one-on-one consultation channels, covering dimensions such as employee psychology, work, management, medical, legal, and financial assistance.</p> <p>6.Hold Wellbeing seminars to create a workplace environment where employees feel supported, balanced, and healthy in physical, psychological, social, and financial aspects, thus enhancing overall productivity. The seminars cover content including psychological health, tax and financial management, parent-child communication, and physical health (in conjunction with annual health checkups), and are edited into online courses accessible to all employees.</p> <table border="1"> <thead> <tr> <th>[USI Wellness Academy]</th> <th>Lecturer/Speaker</th> <th>Attendance (Taipei Headquarters & Plants)</th> </tr> </thead> <tbody> <tr> <td>Mindfulness-Based Stress Reduction (MBSR) for Mental Health</td> <td>Nai-Ling/ChenPsychological Counselor</td> <td>185</td> </tr> <tr> <td>2025 Comprehensive Guide to Tax & Financial Planning</td> <td>Yeh-Chun Chen/Vice President, Nord Insurance Brokers</td> <td>210</td> </tr> <tr> <td>High-Efficiency Communication Techniques for Parents</td> <td>Chou-Ba/Parenting Expert</td> <td>88</td> </tr> <tr> <td>Understanding Metabolic Syndrome & Dietary Control for Middle-Aged and Senior Groups</td> <td>Dr. Hung-Cheng Wu/Director, Lead-Abundant Clinic</td> <td>79</td> </tr> </tbody> </table> <p>7.Employee opinion survey Since 2025, T.P.G. has conducted an annual employee survey report. The group's Human Resource Division carried out the Employee opinion survey for all companies within the group from July to August 2025. The Content of this survey encompassed eight dimensions: chiefs, remuneration, colleagues, work, development, corporate culture, sustainable management, and organizational commitment. For the first time, the company included Direct Labor in the survey to achieve 100% coverage. The response rate for USI staff was 73%, and for Direct Labor was 23% (it was the first time Direct Labor participated in the survey), with an overall employee satisfaction score of 4.16. Based on the opinion survey results for each aspect for the current YEAR, the following improvement measures will be implemented and continuously optimized: (1)Focus on the market competitiveness of the salary structure by referencing the salary levels of benchmark enterprises, and enhance position evaluation, professional skills, and job performance to optimize the salary structure and</p>	[USI Wellness Academy]	Lecturer/Speaker	Attendance (Taipei Headquarters & Plants)	Mindfulness-Based Stress Reduction (MBSR) for Mental Health	Nai-Ling/ChenPsychological Counselor	185	2025 Comprehensive Guide to Tax & Financial Planning	Yeh-Chun Chen/Vice President, Nord Insurance Brokers	210	High-Efficiency Communication Techniques for Parents	Chou-Ba/Parenting Expert	88	Understanding Metabolic Syndrome & Dietary Control for Middle-Aged and Senior Groups	Dr. Hung-Cheng Wu/Director, Lead-Abundant Clinic	79
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(II) Does the Company formulate and implement reasonable employee benefits measures (including compensation, days-off, and other benefits, etc.), and appropriately link the operating performance or results to employee compensation?	✓		<p>system, thereby improving the internal fairness and external competitiveness of compensation.</p> <p>(2) Introduce the EAP (Employee Assistance Program) to enhance the physical and mental health of employees.</p> <p>(3) Strengthen the training quality system, promote skill redevelopment, and facilitate the joint development of talent and organization.</p> <p>(4) Conduct the development of key talent and the establishment of a succession team, optimize performance management and promotion mechanisms.</p> <p>(5) The company's vision, mission, and values are clearly communicated during major corporate events, meetings at all levels, and training courses, and are concretely implemented in various regulations and company policies.</p> <p>Through the Company-wide Employee Engagement Survey, we aim to understand employees' perspectives on management and operations. This initiative helps us identify key indicators for talent retention and prioritize areas for development, allowing us to implement targeted talent cultivation programs and stay ahead of future human resources trends.</p> <p>◎ Appeal system The Company has set up smooth internal and external complaint channels. Colleagues who have problems within the Company can complain to supervisors at all levels or the Human Resource Division through the complaint channel. In addition, to maintain gender equality in the workplace and provide a harassment-free environment for employees and job seekers, the Company has established dedicated complaint channels, including a sexual harassment prevention mailbox and an electronic mail system for reporting illegal activities. To protect the complainant, the complainant's name or other relevant information sufficient to identify the complainant will not be disclosed during the investigation.</p> <p>(II) The Company's Articles of Association stipulate that if there are profits in a given year, employee compensation should be distributed, not less than 1% of that year's profits. The total remuneration of employees to be distributed, with the distribution to non-managerial employees accounting for no less than forty percent of that amount. All employees of the Company are entitled to share in the Company's operating results.</p> <p>◎ Employee compensation The Company has a Remuneration Committee to review the compensation policy regularly. The rewards and punishments are linked to year-end bonuses to make the reward and punishment system clear and effective. Pay year-end bonuses according to the Company's profit, employee's individual performance, and the achievement rate of organizational goals.</p> <p>◎ Guided by the philosophy of profit-sharing with our employees, we are dedicated to attracting, retaining, developing, and motivating top-tier talent from all fields. The Company offers a diverse and competitive compensation system to share our operational success with all team members. Employees hired to perform work in exchange for wages are entitled to the following:</p>



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(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<table border="1"> <thead> <tr> <th>Items</th> <th>Content</th> </tr> </thead> <tbody> <tr> <td>Compensation System</td> <td>12 months of base salary per year. 1. Mid-year (June) and year-end (December) bonuses based on labor terms. 2. Holiday bonuses (Lunar New Year, Dragon Boat, and Mid-Autumn Festival) in accordance with company regulations. 3. Annual special bonuses based on corporate performance, individual performance, and employment contracts.</td> </tr> <tr> <td>Health Care & Benefits</td> <td>1. Comprehensive health checkups superior to statutory requirements. 2. Employee Welfare Committee and related systems providing flexible and diverse services. 3. Marriage and bereavement grants. 4. Childbirth subsidies. 5. Dedicated nursing rooms and specialized equipment. 6. Regularly organized employee leisure trips and activities. 7. Seniority awards. 8. Affiliate employee purchase discounts.</td> </tr> <tr> <td>Education & Training</td> <td>Comprehensive training and advanced learning opportunities. ● New hire orientation. ● On-the-job training (OJT). ● External and online learning courses. ● Corporate subsidies for external training programs.</td> </tr> </tbody> </table>	Items	Content	Compensation System	12 months of base salary per year. 1. Mid-year (June) and year-end (December) bonuses based on labor terms. 2. Holiday bonuses (Lunar New Year, Dragon Boat, and Mid-Autumn Festival) in accordance with company regulations. 3. Annual special bonuses based on corporate performance, individual performance, and employment contracts.	Health Care & Benefits	1. Comprehensive health checkups superior to statutory requirements. 2. Employee Welfare Committee and related systems providing flexible and diverse services. 3. Marriage and bereavement grants. 4. Childbirth subsidies. 5. Dedicated nursing rooms and specialized equipment. 6. Regularly organized employee leisure trips and activities. 7. Seniority awards. 8. Affiliate employee purchase discounts.	Education & Training	Comprehensive training and advanced learning opportunities. ● New hire orientation. ● On-the-job training (OJT). ● External and online learning courses. ● Corporate subsidies for external training programs.
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<p>◎ Employee Assistance Program (EAP) The USI Group prioritizes the physical and mental well-being of our employees through the Employee Assistance Program (EAP), which offers comprehensive support services. Employees can access one-on-one confidential consultations with professional psychologists via phone, email, or LINE to alleviate work and life pressures while enhancing psychological resilience and workplace well-being. This program promotes work-life balance, unlocks employee potential, and strengthens organizational cohesion and sustainable competitiveness.</p> <p>◎ Social and Group Insurance The Company handles all statutory social insurance programs in accordance with the law and provides Group Insurance for every employee. For further details, please refer to the [Employee Group Insurance Plan]. The Company reserves the right to amend this plan at any time.</p> <p>◎ Other Benefits and Awards 1. Employee Cafeteria: Provided at the USI Kaohsiung Plant. 2. Model Worker Recognition: Annual commendation of exemplary employees. 3. 2025 TCSA Corporate Sustainability Report – Gold Award. 4. 2025 Sustainability Comprehensive Performance Award.</p> <p>(III) The Company continues to promote the acquisition of ISO 14001 Environmental Management System validation (valid until July 2, 2028) and ISO 45001 Occupational Safety and Health Management System Validation (valid until April 16, 2028). The work safety department and the responsible department of construction of the plant shall conduct regular inspection and inspection of various operations on a daily basis, and further implement the safety and health management by combining the mutual supervision and experience exchange of the related enterprises of USI Group. The Company has an "Occupational Safety and Health Committee (OSHC)" established in accordance with the "Regulations for Occupational Safety and Health Management,"</p>											

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			<p>with labor representatives elected or appointed by the union. The committee meets with management every quarter to discuss, coordinate, plan, and make decisions on issues related to occupational safety and health, and implement employee participation, consultation, and communication. Since the Company maintains good communication with employees through unions and labor-management meetings, no special collective agreements have been established between the two parties. We team up with the Taiwan Responsible Care Association (TRCA) to promote industrial safety, health, and environmental protection together and learn from one another in order to improve the protection of employee safety and health. In addition, we organize fire exercises and industrial safety education and training biannually to develop emergency response skills and self-safety management of employees. Based on the production activities of the Company, we have established emergency response procedures for raw material (chemical) leakage, fire, explosions, and earthquakes. In addition, we have classified incidents into three levels and have planned different response measures. In 2025, the Kaohsiung Plant continued to strengthen Self-defense and fire marshalling team personnel training, enhancing the operational knowledge and protection of response personnel through fire-fighting practical training, and implementing the first line of defense in corporate disaster reduction and preparedness. According to the severity of the accident, the corresponding strain mode is adopted. The relevant strain process is described as follows:</p> <p>Stage 1: Minor leakage of hazardous substances and a minor fire occur within the plant.</p> <ul style="list-style-type: none"> • The on-duty officer should be the scene response commander, who directs the fire protection team members of the shift to carry out the initial response and disposal. <p>Stage 2: Major leakage of hazardous substances and a major fire occur within the plant where the emergency response team of the incident occurring unit cannot effectively control the situation, and it must mobilize the plant's emergency response organization to support. Supervisors at all levels shall be notified, and relevant units outside the plant shall be requested for personnel and emergency equipment support.</p> <ul style="list-style-type: none"> • The on-duty officer sends request for support to the head of unit and mobilizes the emergency response organization according to the alert and reporting procedure. • Based on the emergency situation, request for support outside of the plant and notify relevant agencies when necessary. • Determine the need to immediately shut down plant operations and isolate the incident affected area. • The site commander can be the head of the incident occurring unit or department, until the general plant manager or his/her deputy takes over the command. • Set up a response command center to gather information regarding the latest situation for the chief commander to make decisions and notify the response organization. 	



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			<ul style="list-style-type: none"> • Stage 3: The incident may spread outside of the plant and its impact reaches outside of the plant. • The general plant manager or his/her deputy becomes the chief commander to command the emergency plan within the plant and report the situation to the Fire Bureau of Kaohsiung City and other units related to industrial safety and environmental protection, and transfer the command to Disaster Response Center, Kaohsiung City. • If the situation is out of control and endangers the lives of employees and relief personals, an evacuation shall be ordered. <p>Fire injury statistics (Renwu Plant in Kaohsiung)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Fire Number of cases</th> <th>Fire injuries number Number of people</th> <th>Fire death number Number of people</th> <th>Proportion of employees to total workforce.</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>0</td> <td>0</td> <td>0</td> <td>0%</td> </tr> <tr> <td>2024</td> <td>0</td> <td>0</td> <td>0</td> <td>0%</td> </tr> <tr> <td>2025</td> <td>0</td> <td>0</td> <td>0</td> <td>0%</td> </tr> </tbody> </table> <p>The Company itself is committed to ensuring the physical and mental health of employees and a safe work environment. In terms of health care, we offer annual health examinations for employees that exceed regulatory standards. Special health examinations are arranged for specific operations such as noise, dust, n-hexane, ionizing radiation, and 1,3-Butadiene, combined with workplace data to conduct risk identification and health management. The Company also arranges for on-site doctors every month to provide free medical consultations and health promotion services, enhancing employees' health awareness and initiative through seminars. For shift employees, the company strictly prohibits excessive overtime work. It also specifically screens employees at high risk of cardiovascular issues by conducting health checks such as electrocardiograms and fatigue index assessments. Administrative controls are implemented, such as limiting night shift frequency, actively monitoring medical consultation status, and providing health guidance. In 2025, a total of 250 people were scheduled to receive special operation health examinations and health management was carried out according to the health examination grading management system. With the expectation of identifying high-risk groups through a comprehensive health risk grading management system, providing individual health guidance and informing them of operational precautions, the risk of occupational diseases is reduced. Ongoing improvements from front-end engineering to back-end health care are implemented in tandem to create a healthier and more comfortable work environment. At the same time, promote workplace bullying prevention and mental health education, establish complaint channels, and have nursing staff follow up on the cases.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of inspections</th> <th>Primary management</th> <th>Secondary management</th> <th>Tertiary management</th> <th>Fourth-level management</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>241</td> <td>171</td> <td>70</td> <td>0</td> <td>0</td> </tr> <tr> <td>2024</td> <td>244</td> <td>181</td> <td>63</td> <td>0</td> <td>0</td> </tr> <tr> <td>2025</td> <td>250</td> <td>163</td> <td>87</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Coordinate with Friendly Workplace initiatives such as childcare allowances, breastfeeding rooms, employee travel, and group activities to continuously create a</p>	Year	Fire Number of cases	Fire injuries number Number of people	Fire death number Number of people	Proportion of employees to total workforce.	2023	0	0	0	0%	2024	0	0	0	0%	2025	0	0	0	0%	Year	Number of inspections	Primary management	Secondary management	Tertiary management	Fourth-level management	2023	241	171	70	0	0	2024	244	181	63	0	0	2025	250	163	87	0	0	
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			<p>balanced working environment that emphasizes health, safety, and happiness, showcasing the Company's commitment to workplace safety for its employees. At USI, the safety management of contractors and suppliers is equally important. Therefore, we have established the "Contractor Management Regulations" and the "Contractor Entry Management Manual." Both documents include industrial safety education and training for contractors, and they must pass safety certification before they can perform their contracts at USI. To strengthen safety supervision during construction, we have established the "Labor Safety and Health Tour Inspection Regulations" to implement ESH tour inspections every day within the plant to improve the safety of all processes and ensure the safety, life, and health of employees. Before implementing high-risk work, we run a risk assessment process to identify hazards, assess risk, take precautionary measures, and review the emergency response plan. We also hold communication and coordination meetings with contractors before commencement of work to ensure operation safety. Education, training, and publicity are the foundation to promote ESH awareness to employees and contractors. By establishing the "Labor Safety and Health Education and Training Regulations", we provide knowledge and skill training for different categories of employees and contractor personnel based on actual need. In 2025, a total of 4,537 people participated in 499 sessions of environmental safety and health education and training, with a total of 13,506 training hours. A total of 1,122 employees and contractors were trained (100% training rate).</p> <p>◎ Work safety check</p> <p>To ensure that workers operate in compliance with legal regulations and to prevent accidents and disasters, regular on-site environment, health, safety, and fire inspections are conducted to reduce unsafe environments, unsafe equipment, and unsafe behaviors. Through systematic environmental, health, safety, and fire audits, group audits, and loss prevention inspections by the insurance brokerage company, we regularly check and assess the compliance with regulatory requirements and our own policies to timely identify potential risks or non-conformities and take corrective measures to prevent occupational disasters. In 2025, internal audits, external audits, or third-party verifications covered a total of 1,122 workers (100% audit coverage rate). In 2025, there were 2,711 on-site environment, health, safety, and fire inspections, of which 2,301 were compliant, 406 were observations or recommendations, and 4 were non-compliant. The improvement completion rate for non-compliant items was 100%. In 2025, the Group's Auditing Office conducted one routine audit on work safety/environmental protection operations and compliance with laws and regulations, one audit by the Environmental Protection Department on work safety/environmental protection/fire safety, and one cross-plant audit on process safety management, with regular management and tracking of audit deficiencies and improvement outcomes.</p>



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(IV) Has the Company established an effective career developmental plan for its employees?	✓		<table border="1"> <thead> <tr> <th>Implementation Focus (Audit Unit)</th> <th>Implementation Frequency</th> </tr> </thead> <tbody> <tr> <td>Physical and mental condition check of contractor before entering the plant (guard)</td> <td>Non-scheduled</td> </tr> <tr> <td>Contractor Agreement Organization Data Audit (Work Safety Section)</td> <td>Daily</td> </tr> <tr> <td>Operation site inspection and Recording (Work Safety Section)</td> <td>Daily</td> </tr> <tr> <td>Presentation on Defect and Improvement Review (Work Safety Section)</td> <td>Quarterly Occupational Safety Committee</td> </tr> <tr> <td>6S inspection of the whole plant area (Senior executives)</td> <td>Semiannually</td> </tr> <tr> <td>Safety operation and regulation audit (Audit Office)</td> <td>Semiannually</td> </tr> </tbody> </table>	Implementation Focus (Audit Unit)	Implementation Frequency	Physical and mental condition check of contractor before entering the plant (guard)	Non-scheduled	Contractor Agreement Organization Data Audit (Work Safety Section)	Daily	Operation site inspection and Recording (Work Safety Section)	Daily	Presentation on Defect and Improvement Review (Work Safety Section)	Quarterly Occupational Safety Committee	6S inspection of the whole plant area (Senior executives)	Semiannually	Safety operation and regulation audit (Audit Office)	Semiannually
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		<p>◎ Equipment safety management</p> <p>The Company carries out hierarchical management of equipment according to the regulations of labor inspection, and lists and conducts regular inspection of dangerous machinery and equipment according to law to ensure the safety of equipment. In 2025, regular inspections were completed for 3 units of hazardous machinery and 338 units of hazardous equipment, achieving a 100% pass rate. Inspection of critical equipment pipelines completed 2,428 items; inspection of safety-critical process equipment completed 1,006 items.</p> <p>After a thorough review and improvement of relevant measures, the Company immediately revised the automatic inspection items and safety interlock component checks of machinery, reiterated the Company's safety and life-protection policies, and initiated supervisor engagement to monitor the physical and mental well-being of employees to ensure workplace safety.</p> <p>In 2025, there were no incidents of fines due to violations of occupational safety and health regulations, no occurrences of occupational safety and process safety accidents, and no fire incidents resulting in disabling injuries to workers.</p> <p>From February 2023 to December 2025, the Company recorded a total of 2,435,119 working hours without any disabling injuries (including both employees and contractors).</p> <p>(IV) Career Development and Training Program</p> <p>To enhance overall employee competitiveness, the Company aligns its training programs with external developments, group business policies, corporate development strategies, departmental performance objectives, and employees' career development needs, thereby establishing a comprehensive training system that offers necessary training courses for holistic talent development.</p> <p>The training structure comprises three major components: On-the-Job Training (OJT), Off-the-Job Training (Off-JT), and Self-Directed Learning (SD). This structured and systematic planning supports employees' career development and extends to a lifelong learning framework.</p> <p>For new employees, the training includes a detailed introduction to the group's corporate culture, business philosophy, labor regulations, organizational systems, professional skills, and operational processes to help them quickly integrate into the work environment and enhance their sense of identification and cohesion with the Company. Specialized or safety-related training courses are also conducted according to departmental requirements.</p> <p>Regarding training and continuous education for current employees, the Company</p>															

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(V) Has the Company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing and labeling, and formulated relevant consumer or client protection policies and grievance procedures?	✓		<p>conducts an annual Training Needs Assessment (TNA) in the fourth quarter to formulate the following year's execution plans and budgets. We regularly host competency-based training, management workshops, thematic seminars, health lectures, and various symposia. To ensure an engaging learning experience, we employ diverse instructional methods, including interactive activities, case studies, and group discussions alongside traditional lectures. Furthermore, our Digital Learning Platform provides an autonomous learning channel, allowing employees to effectively engage in skill-building anytime, anywhere. This holistic approach enhances professional and managerial expertise while fostering personal well-being. This year, we prioritized the integration of Generative AI into the workplace through dedicated workshops and competitions. These initiatives empower our workforce to master AI collaboration, creating a distinct competitive edge for their long-term career development.</p> <p>For succession candidates, training is implemented to ensure smooth transition and continuity in key positions. The program includes job rotation, overseas assignments, project leadership, and courses in management skills and leadership development, aiming to prevent talent gaps and ensure the Company's operational stability and long-term competitiveness.</p> <p>For retiring employees, courses on retirement financial planning, health management, and lifestyle adjustment are offered to support a smooth transition into retirement.</p> <p>(V) The Company strives to provide clients with satisfying services and hopes to establish long-term partnerships with them while following relevant laws and international standards and formulating relevant consumer protection policies and complaint procedures to maintain customers' health and safety. In terms of customer data protection, the Group's Information Technology Division has established various regulations to protect and control all types of information. It has also adopted measures such as strengthening firewall management, access authority control, and separation of the test environment and the physical working environment to implement rigorous access control strategies and procedures for customer data and avoid the risks of leakage of customers' confidential information. In 2025, there were no violations of product labeling regulations and fines thereof, nor breaches of customer privacy or leaks of their data.</p>
(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? And, how well are those policies implemented?	✓		<p>(VI) The Company establishes long-term cooperation with high-quality suppliers based on quality, capability and environmental protection policies, fulfills corporate social responsibilities, and delivers the idea of environmental protection policies to contractors and carriers. At the same time, the Company complies with the Restriction of Hazardous Substances (RoHS) directive and enhances environmental protection education and training. The Company also pays serious attention to the safety of construction companies in the plant area and ensures the safety of various operations so as to protect the safety and health of workers and jointly engage in good risk management. Therefore, before corresponding with suppliers, the Company must evaluate and screen them. For those who have poor records on adversely impacting the environment and society in the past, the Company avoids doing business with them. Besides, to promote suppliers to fulfill their corporate social responsibility, the</p>



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			Company encourages new/existing suppliers to fill in the social responsibility commitment form for self-evaluation. In 2025, two vendor field audits were completed, requiring suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights. In the past two years, we have collaborated with customers of Hiwin Precision to participate in the "Supply Chain Low-Carbon Transformation Guidance Plan" of the Ministry of Economic Affairs, achieving a concrete result of reducing 13,113 tons of CO ₂ e emissions together with customers and their supply chains.																			
V. Does the Company prepare corporate Sustainability Reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the Company obtain third-party assurance or qualified opinion for the reports above?	✓		The 2025 annual report complies with the GRI Standards and was reviewed by Deloitte & Touche, the appointed third-party assurance provider. The review included verification of compliance with the GRI Standards and the performance of limited assurance procedures on five ESG indicators in accordance with the Assurance Standards Bulletin No. 3000, with an assurance report issued accordingly.	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.																		
<p>VI. If the Company has established its own Sustainability Practice Principles in accordance with the "TWSE/TPEX Listed Companies Sustainability Practice Principles", state the discrepancies between these principles and its implementation: On March 12, 2015, the Board of Directors approved the adoption of the "Corporate Social Responsibility Best Practice Principles." The principles were subsequently amended and approved by the Board on August 13, 2020, and March 10, 2022, to further strengthen the implementation of corporate social responsibility. On March 7, 2023, in line with the latest revision of the "TWSE/TPEX Listed Companies Sustainability Practice Principles", the Company amended its "Corporate Social Responsibility Practice Principles" to the "Sustainability Practice Principles". The Company manages economic, environmental, and social risks and impacts in accordance with these principles and makes improvements accordingly. No deviations have been identified since implementation.</p>																						
<p>VII. Other important information for understanding the implementation of sustainable development: (I) Composition, functions, and operation of the Sustainability Council: The Company's Sustainability Council was officially established on June 26, 2018 and its composition, duties, and operations are as follows: 1. Information on the Members:</p> <table border="1"> <thead> <tr> <th>Position</th> <th>Name</th> <th>Expertise</th> </tr> </thead> <tbody> <tr> <td>Chairman of the Committee</td> <td>Tu, Tzu-Chun, Independent Director</td> <td>Operational judgment, accounting and finance, business management, crisis management, industry knowledge, leadership, decision-making, environmental protection</td> </tr> <tr> <td>Vice Chairman of the Committee</td> <td>Wu, Pei-Chi, Director and General Manager</td> <td>Operational judgment, business management, crisis management, industry knowledge, international markets, leadership, decision-making</td> </tr> <tr> <td>Committee Member</td> <td>Wu, Yi-Gui, Chairman</td> <td>Operational judgment, accounting and finance, business management, crisis management, industry knowledge, international markets, leadership, decision-making</td> </tr> <tr> <td>Committee Member</td> <td>Hai, Ying-Chun, Independent Director</td> <td>Operational judgment, accounting and finance, business management, crisis management, leadership, decision-making, environmental protection</td> </tr> <tr> <td>Committee Member</td> <td>Chen, Sheng-Te, Independent Director</td> <td>Operational judgment, accounting and finance, business management, crisis management, leadership, decision-making</td> </tr> </tbody> </table> <p>(1) The Committee consists of the Chairman, the General Manager, and three Independent Directors as approved by the Board of Directors. An Independent Director serves as the chief commissioner and the General Manager serves as the deputy chief commissioner. (2) The current term of office is from June 6, 2023 to May 30, 2026. The members of the committee include: the Company's Chairman Wu, Yi-Gui, General Manager Wu, Pei-Chi, Independent Director Tu, Tzu-Chun, Independent Director Hai, Ying-Chun, and Independent Director Chen, Sheng-Te, a total of 5 people. (3) The Sustainability Council holds at least two meetings a year. Two meetings were held in the most recent year with 100% attendance in person.</p> <p>2. Responsibilities: (1) Agree on sustainable development policies. (2) Agree on sustainable development strategic plan, annual plan and project plan. (3) Supervise the implementation of sustainable development strategy planning, annual plan and project plan, and evaluate the implementation. (4) Review the Sustainability Report.</p>					Position	Name	Expertise	Chairman of the Committee	Tu, Tzu-Chun, Independent Director	Operational judgment, accounting and finance, business management, crisis management, industry knowledge, leadership, decision-making, environmental protection	Vice Chairman of the Committee	Wu, Pei-Chi, Director and General Manager	Operational judgment, business management, crisis management, industry knowledge, international markets, leadership, decision-making	Committee Member	Wu, Yi-Gui, Chairman	Operational judgment, accounting and finance, business management, crisis management, industry knowledge, international markets, leadership, decision-making	Committee Member	Hai, Ying-Chun, Independent Director	Operational judgment, accounting and finance, business management, crisis management, leadership, decision-making, environmental protection	Committee Member	Chen, Sheng-Te, Independent Director	Operational judgment, accounting and finance, business management, crisis management, leadership, decision-making
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Items affected	Implementation (Note 1)		Abstract Illustration	Discrepancies from "the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons																																		
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<p>(5)Annual report to the Board of Directors on the annual results of sustainable development. (6)Other matters directed by the Board resolution to be handled by the Committee.</p> <p>3. Implementation Status: Term of office for current committee members: June 6, 2023 to May 30, 2026. The Sustainability Council convened two meetings in the most recent year (A). The attendance of the committee members is as follows:</p> <table border="1"> <thead> <tr> <th>Title of Member</th> <th>Name of Member</th> <th>Attendance in Person (B)</th> <th>Attendance by Proxy</th> <th>Actual Attendance Rate (%) (B/A) (Notes 1 and 2)</th> <th>Note</th> </tr> </thead> <tbody> <tr> <td>Independent Director (Chairman of the Committee)</td> <td>Tu, Tzu-Chun</td> <td>2</td> <td>0</td> <td>100.00</td> <td rowspan="3">Reappointed in alignment with the expiration of the Board's term, reappointed on June 6, 2023.</td> </tr> <tr> <td>Director and General Manager (Vice Chairman of the Committee)</td> <td>Wu, Pei-Chi</td> <td>2</td> <td>0</td> <td>100.00</td> </tr> <tr> <td>Chairperson</td> <td>Wu, Yi-Gui</td> <td>2</td> <td>0</td> <td>100.00</td> </tr> <tr> <td>Independent director</td> <td>Hai, Ying-Chun</td> <td>2</td> <td>0</td> <td>100.00</td> <td></td> </tr> <tr> <td>Independent director</td> <td>Chen, Sheng-Te</td> <td>2</td> <td>0</td> <td>100.00</td> <td>Note 3</td> </tr> </tbody> </table> <p>Note:</p> <p>(1) If any member resigned before the end of the year, the resignation date shall be indicated in the Remarks column. The actual attendance rate (%) shall be calculated based on the number of Sustainability Council meetings held during their term and their actual attendance.</p> <p>(2) If any member was replaced before the end of the year, both the outgoing and incoming members shall be listed, with the Remarks column indicating whether the member is outgoing, incoming, or reappointed, as well as the date of replacement. The actual attendance rate (%) shall be calculated based on the number of Sustainability Council meetings held during their term and their actual attendance.</p> <p>(3) Newly appointed in alignment with the expiration of the Board's term, appointed on August 3, 2023.</p> <p>4. Meeting operations are summarized as follows, and a report was presented to the Board of Directors on the same day:</p> <p>The 1st meeting in 2025</p> <p>(1)Date of Meeting: March 10, 2025 (2)Committee members present: Tu, Tzu-Chun, Wu, Pei-Chi, Wu, Yi-Gui, Hai, Ying-Chun, Chen, Sheng-Te. (3)Report on the Company's sustainable development performance and future promotion goals in 2024. (4)Report on the identity of stakeholders, issues of concern, communication channels and response methods in 2024. (5)Report on the implementation progress and planning of the 2024 Sustainability Report. (6)The Company's greenhouse gas inventory and verification performance report. (7)Report on the Company's implementation plan and scheduled timeline for adopting the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards.</p> <p>The 2nd meeting in 2025</p> <p>(1)Date of Meeting: August 8, 2025 (2)Committee members present: Tu, Tzu-Chun, Wu, Pei-Chi, Wu, Yi-Gui, Hai, Ying-Chun, Chen, Sheng-Te. (3)Report on the implementation of the Company's sustainable development plan for the first half of 2025. (4)The Company's 2024 Carbon Reduction and Water Conservation Project Execution Report. (5)Status of Implementation of the Company's implementation plan for adopting the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards. (6)Discussion on the preparation of the 2024 Sustainability Report.</p> <p>The 1st meeting in 2026</p> <p>(1)Date of Meeting: March 12, 2026 (2)Committee members present: Tu, Tzu-Chun, Wu, Pei-Chi, Wu, Yi-Gui, Hai, Ying-Chun, Chen, Sheng-Te. (3)Report on the sustainable development performance in 2025 and the work plan for 2026. (4)Stakeholder agreement results, including stakeholder identity, issues of concern, communication channels and response methods in 2025. (5)Report on the implementation progress and planning of the 2025 Sustainability Report. (6)Status of Implementation of the Company's implementation plan for adopting the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards.</p>					Title of Member	Name of Member	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Notes 1 and 2)	Note	Independent Director (Chairman of the Committee)	Tu, Tzu-Chun	2	0	100.00	Reappointed in alignment with the expiration of the Board's term, reappointed on June 6, 2023.	Director and General Manager (Vice Chairman of the Committee)	Wu, Pei-Chi	2	0	100.00	Chairperson	Wu, Yi-Gui	2	0	100.00	Independent director	Hai, Ying-Chun	2	0	100.00		Independent director	Chen, Sheng-Te	2	0	100.00	Note 3
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Items affected	Implementation (Note 1)			Discrepancies from "the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>(II) Implementation of Environmental Protection and Occupational Safety and Health:</p> <ol style="list-style-type: none"> Environmental Protection Policies: <ol style="list-style-type: none"> (1)Comply with relevant environmental protection and occupational safety and health regulations, as well as relevant requirements derived from such regulations. (2)Continue to conserve and reuse resources and energy, as well as reducing industrial waste. (3)Prevent pollution, reduce potential risks in operations. (4)Continue to provide employees with education and training, implement measures related to environmental protection and occupational safety and health. (5)Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health. (6)To thoroughly implement environmental management system to enhance environmental performance and reduce environmental safety risks in communities. The Company has been a member of the Taiwan Responsible Care Association since 1998. The Company applies the "Responsible Care Management Practices" established by TRCA to its entire plant, and reports its safety, health and environmental protection performance indicators every year. The Company continues to implement industrial waste reduction, improve workplace safety, and enhance environmental protection and occupational safety and health training for employees. The Company determines the characteristic of waste in accordance with the "Standards for Defining Hazardous Industrial Waste" and details such information in the "Waste Cleanup Plan" before submitting the plan to the competent authority. In addition, the waste shall be classified and stored according to the characteristics of its main components in accordance with the Standards for Methods and Facilities for Storage, Removal and Treatment of Business Wastes, and shall be labeled in the storage location, containers, and facilities. Waste removal and treatment operations are entrusted with qualified permits to remove the disposal of institutions, and in accordance with the Waste Disposal Act. Since 2019, the Company's Renwu Plant has actively promoted a green procurement program. The amount declared to the Ministry of Environment's Net Zero Green Living Information Platform for green procurement in 2024 was NT\$33.81 million, and the amount for 2025 is NT\$51.67 million. The Environmental Development Department of TVCM (a subsidiary of our company) established Global Green Technology Corporation (GGTC) in 2022. GGTC is a wholly owned subsidiary of TVCM. GGTC adopts a self-developed integrated remediation process combining physical, chemical, and biological technologies. Remediation achievements (site delisted): <ol style="list-style-type: none"> (1)In 2021, the first Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from the Environmental Protection Administration (EPA) of the Executive Yuan: The EPA recognizes the performance of The Company's subsidiary CGPC's Toufen Plant remediation site was listed. (2)In 2022, the second Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from Kaohsiung Environmental Protection Bureau: The Kaohsiung City Environmental Protection Bureau recognizes the performance in the delisted control site of CPDC's Cianjhen Plant. (3)Newly developed oil-degrading bacteria in 2022: After the soil of oil-polluted sites were domesticated in laboratories, bacteria with degradative functions were screened out; and following fermentation and cultivation, toluene and naphthalene degradation genes were detected, which showed the ability to degrade benzene and toluene. In addition, the properties of diesel oil can be used for on-site renovation. (4)In 2023, Ocean Plastics's Luzhu plant was officially certified to have been de-listed, which was also the first remediation completion achievement for GGTC. <p>The results of the above remediation cases have been recognized by experts and scholars from Society of Environmental Engineers (SEE) and the Environmental Protection Professionals Association and awarded with Outstanding and Outstanding Paper Awards; the Environmental Analysis Laboratory has also obtained the Waters ERA Laboratory Proficiency Comparison Certification in the U.S.A. to demonstrate the quality of testing; the drilling rig team has passed the examination to obtain the Well Drilling Technician License of the Ministry of Economic Affairs' Department of Water Resources; and the application of Bio-crystalline Spheres is being developed and submitted to the patent application process. Please refer to the Sustainability Report or the webpage: https://www.cgpc.com.tw/ESG/tw/soil-and-groundwater.aspx</p> <p>(III) Implementation of Energy Conservation and Carbon Reduction:</p> <ol style="list-style-type: none"> Energy Conservation and Carbon Reduction Policies: <ol style="list-style-type: none"> (1)To achieve energy conservation and carbon reduction regulations set by the government, as well as actively promote and develop energy conservation and carbon reduction projects. (2)To demonstrate the Company's commitment towards energy conservation and carbon reduction, and rewards the incorporation of energy conservation and carbon reduction cases in order to propose improvements to the system (3)To promote energy conservation and carbon reduction plans at departmental level and carry out energy conservation and carbon reduction education and promotional work. (4)To implement energy conservation and carbon reduction-related individual job details and continuously provide employees with education and training in order to implement energy conservation and carbon reduction Outcomes of Energy Conservation and Carbon Reduction: 				

Items affected	Implementation (Note 1)			Discrepancies from "the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>(1) The greenhouse gas emissions (Scope 1 + Scope 2) for the Company and its subsidiaries in 2025 and 2024 were 686,090 tons and 692,150 tons respectively, with carbon dioxide emissions reduced by 6,050 tons and 68,270 tons respectively. The Company's carbon emissions decreased from 133,970 metric tons in 2024 to 128,650 metric tons, representing a 4% reduction.</p> <p>(2) Following the Group's carbon reduction targets, the Company has developed a decarbonization roadmap. In 2025, greenhouse gas emissions were reduced by 25% compared to the base year (2017).</p> <p>(3) The electricity savings rate reached 1.7%, with four energy-saving and carbon reduction initiatives implemented, resulting in a total carbon reduction of 1,922 metric tons CO₂e. The total investment amounted to NT\$10.88 million. The average annual electricity savings rate from 2015 to 2025 is 1.48%.</p> <p>(4) Starting from 2023, the inventory and verification of greenhouse gases for the parent company has been conducted annually, ahead of the statutory deadline of 2024.</p> <p>(5) On February 3, 2025, the Company obtained the ISO 14067:2018 Carbon Footprint Verification Statement (valid from 2/3/2025 to 2/2/2027).</p> <p>(6) On March 17, 2022, the Company obtained the ISO 46001:2019 Water Resource Efficiency Management System certificate. (Validity 03/17/2022 - 03/17/2025)</p> <p>(7) The Water Recovery Rate Verification Declaration for the year 2024, with a recovery rate of 91.4%.</p> <p>(8) On August 13, 2024, the Company obtained the ISO 14064-1:2018 Greenhouse Gas Verification Statement. (2025)</p> <p>(9) Taiwan Polymer and Subsidiaries in the Consolidated Financial Statements 2024 Greenhouse Gas Declaration CPA Limited Assurance Report</p> <p>(10) On November 1, 2022, the Company obtained the ISO 50001:2018 Energy Management System Certificate (valid from November 17, 2025 to November 16, 2028).</p> <p>3. Energy saving and carbon reduction plan: In compliance with the group's policy and regulations, the Company has set an annual electricity saving target of 1%. Using 2017 as the base year, the carbon emissions reduction goal is to achieve a 27% reduction by 2030 and reach carbon neutrality by 2050, with dynamic reviews conducted in line with national policies and regulations. Key tasks are as follows:</p> <p>(1) Ice water machine motor renewal, refrigerator replacement, air compressor replacement, motor replacement to IE3 high efficiency motor, box air conditioner replacement, street lamp replacement to LED lamps and cooling water pump replacement.</p> <p>(2) Operating pressure adjustment and parking power reduction according to process requirements.</p> <p>Targets for 2026:</p> <p>(1) Annual electricity savings rate: 1.27%.</p> <p>(2) Implementation of six planned projects, with an estimated carbon reduction of 1,443 metric tons CO₂e.</p> <p>4. Renewable energy and green electricity certificates. According to the "Regulations on the Installation of Renewable Energy Power Generation Facilities for Electricity Consumers with Contracted Capacities Above a Certain Level," users with a contracted capacity of 5,000 kW or more with Taipower must complete the obligation of setting up 10% renewable energy within 5 years. The Company's obligated capacity is 3,401.9 kW, current progress:</p> <p>(1) Set up renewable energy power generation equipment with a capacity of 922.6 kW (21.7%) and a budget of NT\$31 million, scheduled for completion in 2026.</p> <p>(2) In 2025, purchased 3.7 million kWh of renewable energy power and certificates, expected to decrease to 3.1 million kWh in 2026.</p> <p>(IV) Implementation of Social Services and Public Welfare:</p> <p>1. Special Renda Class for the Petrochemical Industry in Kaohsiung Special Renda Class for the Petrochemical Industry in Kaohsiung Thirteen companies at Renda Industrial Park (including Formosa Renwu Plant, Changchun, and Dashe Industrial Park Manufacturers' Association) and the Company's Renwu Plant jointly established an industry-academia collaboration project with Renwu Senior High School from August 2024 to July 2029 to provide students of Renwu Senior High School with scholarships. We provide ten students, in each of the three grades, totaling 90 students over five years, with a total of NT\$1.08 million in scholarships and subsidies of NT\$330,000 as hourly rates for professional courses for three years. On the one hand, cultivate the grassroots talents needed in the future and improve the quality of manpower; On the other hand, schools can activate teaching by introducing enterprise resources, strengthen the competitive advantage of local schools, and attract excellent students. It is hoped that through this tripartite cooperation mode, students can develop appropriately in learning, pursue excellence, and guarantee future employment. Enterprises can integrate into the local development of good neighborly relations, recruit high-quality manpower; Thus, it can promote local prosperity, shorten the gap between urban and rural areas, activate regional economy, reduce the phenomenon of population emigration, and create a win-win situation for enterprises, schools and local governments.</p> <p>2. Donation to USI Education Foundation USI Group adheres to the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society". USI Education Foundation was established on December 30, 2011 with the joint donation of Asia Polymer Corporation was officially put into operation in 2012, with the purpose of engaging in educational public welfare undertakings and focusing on the disadvantaged, rural and environmental care. Conduct the following business in accordance with the relevant laws:</p> <p>(1) Sponsor education in rural areas.</p>				



Items affected	Implementation (Note 1)		Discrepancies from "the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
<p>(2) Establish scholarships.</p> <p>(3) Hold talks, seminars, or other education-related charitable activities.</p> <p>(4) Sponsor schools at various levels or educational groups to engage in activities such as literature, sports, music, dance, arts and drama.</p> <p>(5) Conduct industry-academia collaboration.</p> <p>(6) Other education-related charitable services that are consistent with the objectives of the foundation.</p> <p>In 2025, USI donated NT\$3 million to the USI Education Foundation. Through the foundation, approximately NT\$10.04 million was contributed to various public welfare initiatives, including NT\$3.05 million in scholarships and grants; NT\$1 million to the Alliance Cultural Foundation; and NT\$4 million to Taitung Junyi Experimental Senior High School. Additional public welfare sponsorships totaled approximately NT\$1.99 million.</p> <p>(1) Excellent Scholarships: Awarded NT\$3 million worth of scholarships, Awarded to 30 students from 18 departments in 12 public and private universities, including 5 PhD students, 12 Master's degree students and 13 Bachelor's degree students.</p> <p>(2) AI field scholarship: In order to encourage domestic outstanding graduate students to participate in the research and development and application of various artificial intelligence (AI) fields, to reduce the gap between production and education, and to cultivate chemical industry talents with AI expertise. Starting from 2022 for a five-year trial period, the grant will be NT\$50,000 per semester, subject to regular review for a maximum of four consecutive semesters, and a total of 6 students have been awarded.</p> <p>(3) The Alliance Cultural Foundation and Taitung Junyi Experimental Senior High School: Invest more resources in the development of culture and art by sponsoring the Alliance Cultural Foundation (hereinafter referred to as ACF) with NT\$3 million, including local revitalization initiatives such as the "Island Life" Alliance and the "Paul Chiang Art Center." Taitung Junyi Experimental Senior High School (hereinafter referred to as Junyi Experimental School) and the Alliance Cultural Foundation have been the foundation's long-term sponsored partners. In 2025, Junyi Experimental High School once again received the highest rating in the experimental education evaluation by the Ministry of Education. In vocational education, the foundation continues to link Shin Yeh Restaurant Group with the Japanese culinary program in collaboration with Chengkung Commercial & Aquaculture Senior High School. It also facilitates faculty from Kaohsiung University of Hospitality and Tourism to offer Western culinary courses at Kung Tung Technical Senior High School, opening up broader future possibilities for young people in remote areas.</p> <p>(4) Supporting the 365 Music Program for Good Farming, we have collaborated with Toufen Junior High School in Miaoli County, using professional choir teachers cultivated by the 365 Foundation for Good Farming, and collaborating with Toufen Junior High School music teachers to teach the Hamini Choir composed of 7th, 8th, and 9th grade students. In addition to regular club time, they also practiced after class. Hope to accompany students in their growth through the art of singing, and by participating in annual music festivals and performing on stage, stimulate learning motivation and build confidence.</p> <p>(5) Longfeng Fishing Port Beach Cleaning Activity: Since 2017, in coordination with the Miaoli County Environmental Protection Bureau's marine environmental policy, 500 meters of the beach of Longfeng Fishing Port in Zhunan Township has been adopted. Every year, through the group's subsidiary, a beach cleaning activity is held to protect our beaches and oceans.</p> <p>(6) Other donation recipients include the Boyo Social Welfare Foundation, Teach For Taiwan, various public healthcare and education initiatives, and the Ocean Rowing Society.</p> <p>3. Status of Investment in Cultural Development ITEM</p> <p>To promote domestic cultural development, in 2025, The Company itself sponsored the Alliance Cultural Foundation with NT\$3 million to facilitate the execution of various cultural and art promotion activities at the "Paul Chiang Art Center." The Paul Chiang Art Center is not only the culmination of Teacher Chiang's lifetime of creation but is also set to become an important platform for international art exchange. Since 2014, the Alliance Cultural Foundation has been assisting in promoting the construction of the "Paul Chiang Art Center," aiming to create a space where audiences can approach art and personally experience the beauty of the integration of nature and architecture. After a thousand days of construction, the park officially opened in the spring of 2025. The Alliance Cultural Foundation is responsible for assisting with exhibition planning and management of the park, and through various art and aesthetic education programs, allows more people to get closer to this art sanctuary. As the preparation team for the "Paul Chiang Art Center," the Alliance Cultural Foundation, in addition to assisting with the park's exhibition planning and logistical management, collaborates with the Paul Chiang Art and Culture Foundation. Whether through exhibitions that enhance the public's sensitivity to beauty or by formulating visitation plans with local schools, it promotes aesthetic education to encourage children to engage with art spaces from a young age. This ensures that the park fully exerts its artistic, educational, and social effects, allowing the concepts of art and Sustainable development to be practiced and perpetuated here. Since 2025, the Alliance Cultural Foundation has invested a total of NT\$4.2 million in the "Paul Chiang Art Center." Since the park's opening in March 2025, it has attracted over 60,000 visitors in just over half a year. The park combines an atmosphere of nature, architecture, and art, attracting tourists from all over the country. It also hopes to become an important gateway for international art travelers to discover Hualien and Taitung.</p> <p>4. Since 2020, the Taiwan delegation has continued to sponsor the Internal Medicine Blood Donation Campaign, which is held in February and August every year, so that the love of internal medicine can be spread to all of Taiwan.</p> <p>5. Since 2018, TAG has continued to sponsor the Kaohsiung City Empty Goods Cleanup Area Management Program.</p> <p>6. Responded to "Earth Hour" to turn off the lights.</p> <p>7. Donate epidemic prevention supplies to neighborhoods and schools.</p>			

Items affected	Implementation (Note 1)			Discrepancies from "the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>8. The Company continues to promote the "Afforestation Adoption Project" in cooperation with the Experimental Forest Management Office of National Taiwan University. Over five years, a total donation of NT\$9 million was allocated for afforestation, covering the adoption of 7,500 trees across approximately 5 hectares, with a donation period of 20 years and an estimated carbon sequestration of 1,350 metric tons CO₂e—equivalent to about 3.5 Daan Forest Parks.</p> <p>(V) Certificates and Awards for Promoting Sustainable Development:</p> <ol style="list-style-type: none"> 1. Received recognition as a "2024 Net Zero Green Living Outstanding Unit" by the Environmental Protection Bureau of Kaohsiung City, with the YEAR green procurement amount exceeding NT\$30 million. The amount declared for green procurement in 2025 is NT\$51 million. 2. Received a "B Management Level" rating from CDP for both "Climate Change" and "Water Security" assessments. 3. Won the "Taiwan Outstanding Sustainable Enterprise" and "Sustainability Report Gold Award" at the 18th TCSA Taiwan Sustainability Award in 2025. 4. Business Weekly's 2025 "Top 100 in Carbon Competitiveness". 5. Awarded the 2024 Air Quality Purification Zone Model Award by the Environmental Protection Bureau of Kaohsiung City. 6. Awarded the "Circular Economy" and "Carbon Management" awards at the SGS 3rd Green Sustainability Outcomes Presentation. 7. Certified as an excellent importer and exporter for the year 2024. 8. Awarded the Annual i sports Enterprise Certification for the third consecutive time. 9. 1111 Job Bank 2025 YEAR Happiness Enterprise Gold Award 10. Commonwealth Magazine's Top 2000 Survey - Manufacturing Industry Rank 87 <p>(VI) Green Energy Layout: In 2025, solar energy capacity will reach 9 MW, and by 2027, it is expected to reach an installation scale of 12 MW, steadily moving towards low-carbon operations. The site of Geothermal is located in Taitung and is undergoing later exploration. Offshore wind power: The Company formed Chemical Union Corporation with the petrochemical industry and negotiated with wind power developers for the purchase of electricity.</p>				

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

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

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



Appendix 2-2-3

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

In accordance with the Sustainable Development Roadmap for Listed Companies, while greenhouse gas emissions are reported on a consolidated basis (consistent with the scope of the consolidated financial statements), all other disclosed information pertains specifically to the Company as the reporting entity.

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

Item	Status of Implementation
<p>1. Description of the Board of Directors' and management's oversight and governance of climate-related risks and opportunity.</p>	<p>The Board of Directors oversees the Company's climate change management initiatives, with the Sustainability Council acting as the highest-governing body for climate management. It is chaired by an Independent Director and assesses matters of climate change strategies and targets, climate change risk management, opportunity initiatives, and current implementation statuses, and reports to the Board of Directors every year. The information on each related work meeting is summarized as follows:</p> <ol style="list-style-type: none"> 1. Business Management Meeting: With the Chairman of the Board of Directors serving as the chair, regular meetings are held to discuss strategies and present results in the major policies for energy conservation and carbon reduction. 2. Quarterly Meeting of the Group's Environmental Protection Department: The meeting is USI Group's highest energy management unit and it is responsible for reporting the implementation planning, progress, and decision-making to the Chairman of the Group each quarter. 3. The Board of Directors has an Audit Committee under its jurisdiction. Each year, the results identified by the Risk Management team are submitted to the Board of Directors. The identification covers risks caused by global climate change, energy, and related financial and tax issues. The Remuneration Committee annually evaluates and reviews managerial officers on ESG-related performance, including the management of climate change-related issues, and incorporates climate-related targets into the performance evaluation and compensation system of senior executives, which are reviewed by the Remuneration Committee and reported to the Board of Directors to effectively monitor the achievement of climate-related targets. <p>In response to the global emphasis on environmental (E), social (S), and governance (G) issues, the Company follows the "Sustainability Development Roadmap for TWSE/TPEX Listed Companies" issued by the Financial Supervisory Commission to progressively disclose greenhouse gas inventory and assurance information, and to build internal GHG inventory capabilities. The Company has completed GHG inventory and assurance for both parent and subsidiaries under the consolidated financial statements. Each year, specific measures are reported and reviewed, with directors providing recommendations.</p> <p>In addition to continuously enhancing corporate governance effectiveness, the Company is prudently planning and implementing measures to achieve carbon reduction targets and develop green power strategies. The use of AI technologies improves management efficiency, helping reduce corporate risks and issues, aiming to meet international standards and realize long-term corporate sustainability goals.</p>
<p>2. Describe how the identified climate risk and opportunities affect the business, strategy and finances of the Company (short, medium and long</p>	<p>In response to the uncertainty brought by climate change, the major climate-related physical risks, transformation risks, and opportunities related to operations have been identified. Their potential effects on the company's business transactions, operational strategy, and financial performance over different time scales have been assessed.</p> <p>The Company itself defines the time scale as follows based on its own operational characteristics and industry environment:</p> <ul style="list-style-type: none"> • Short term: 2025 to 2027 • Medium term: 2027 to 2030

Item	Status of Implementation					
term).	<p>• Long term: 2030 to 2050 The time horizons for the impacts of climate-related risks and opportunities identified by the Company are as follows:</p>					
	Type	Item	Description	Possible time frame of effects		
				Short term	Medium term	Long term
	Transformation Risks	Carbon fee imposition	According to the Climate Change Response Act, our country will officially start collecting a carbon fee from 2025. The levy targets business units with annual carbon emissions exceeding 25,000 metric tons CO ₂ e. The initial standard rate for the carbon fee is NT\$300 per tonne. If a company can present a concrete and verifiable self-reduction plan and obtain approval from the competent authority, a preferential rate of NT\$100 per tonne is applicable. For those with a high risk of carbon leakage, a fee emission adjustment applies with an initial factor of a 0.2 discount.	◎	◎	◎
	Physical Risks	High temperature and energy Unstable supply.	With the intensification of climate change, the continuous rise in average annual temperature and the significant increase in the number of high-temperature days have become a global trend. According to the data from the Central Weather Bureau, both the annual average temperature and the frequency of high-temperature events in Taiwan are showing a significant upward trend, indicating that high temperatures during summer could become a regular source of risk in the future.			◎
		Extreme rainfall and flooding	According to observations from the Central Weather Bureau and IPCC reports, in recent years, the number of typhoons, heavy rainfall, and localized storm events has significantly increased in Taiwan. These not only lead to repeated flooding in urban and low-lying areas but also have an immediate and severe impact on industrial operations, constituting acute physical risks.		◎	◎
	Opportunities	Introduction of low-carbon energy	Under the tightening of global climate policy and the drive towards the 2050 net-zero carbon target, the structure of corporate energy use is rapidly transforming. The adoption of renewable energy has become a crucial opportunity for companies to fulfill their carbon reduction commitments and maintain international competitiveness. For carbon-intensive manufacturing industries, building or purchasing renewable energy sources such as solar, wind, and geothermal can effectively reduce indirect emissions generated during electricity usage.	◎	◎	◎
		Enhance corporate reputation and brand awareness	Sustainable management has become an important component of a company's brand value and market competitiveness. Participating in sustainability evaluations (such as CDP, TCSA Taiwan Sustainability Award), proactively disclosing TCFD / TNFD information, and expanding third-party assurance of Merger companies' greenhouse gas and ESG reports will help enhance the transparency and consistency of overall sustainability information, as well as improve credibility with investors, customers, and regulatory agencies.	◎	◎	◎
	The potential material financial impacts of identified climate-related risks and opportunities, along with the corresponding response strategies, are as follows:					
	Type	Item	Financial impact	Response strategies		
Transformation Risks	Carbon fee imposition	This risk may impact short, medium, and long term, with the relevant financial impact for this period as follows: • The Company's Kaohsiung Plant meets the Environmental Ministry's "high risk of carbon leakage" criteria, has submitted a self-reduction plan, and obtained approval,	1. The Company itself has introduced internal carbon pricing and established it using a shadow price method, integrating carbon costs into investment			



Item	Status of Implementation		
			<p>qualifying for a preferential carbon fee rate of NT\$100 per tonne. Based on the carbon fee imposition method announced by the Ministry of Environment for this YEAR, relevant carbon fee expenditures (operating expenses) were estimated at NT\$24.37 million according to the emission volume.</p> <ul style="list-style-type: none"> To reduce carbon emissions in response to the impact of carbon fees, this period saw a capital expenditure of NT\$6,476.2 thousand and operating expenses of NT\$1,013.3 thousand. These funds were used for replacing old motors, boilers, and ice water machines, as well as installing LED energy-saving lighting and other energy-efficient equipment, resulting in increased cash outflows from non-current assets and investment activities. Although in the short term, equipment investment leads to increased depreciation costs and cash outflows, in the long term, the reduction in electricity expenses through improved energy efficiency and the decrease in carbon fee costs will help optimize overall operational efficiency and maintain profitability.
	Physical Risks	High temperature and energy supply instability.	<p>This risk may impact long term, with the relevant financial impact for this period as follows:</p> <ul style="list-style-type: none"> To ensure the operational stability of production equipment under extreme weather conditions, this period saw an enhancement in the routine maintenance and calibration of core equipment such as compressors, generators, and air compressors, with related capital expenditures amounting to NT\$17,873 thousand. Considering the long-term trend of global warming and the resilience of power supply, this period saw a capital expenditure of NT\$57,463 thousand and operating expenses of NT\$268 thousand for the installation of new and the replacement of old electromechanical and air conditioning equipment to enhance long-term operational stability, resulting in an increase in non-current assets. By strengthening energy infrastructure and equipment resilience, although there is a short-term increase in capital expenditure and maintenance costs, it can effectively reduce future business interruption losses caused by high-temperature shutdowns or power restrictions.
		Extreme rainfall and flooding	<p>This risk may impact medium and long term, with the relevant financial impact for this period as follows:</p> <ul style="list-style-type: none"> Water consumption fee expenditure: From November 1, 2024, to April 30, 2025 (a total of six months), the original water consumption fee expenditure was NT\$599 thousand. However, as the R2 water recovery rate from the previous year outperformed the industry benchmark and underwent official verification, the Company qualified for a preferential rate. Consequently, the updated water consumption fee expenditure is NT\$168 thousand. In response to the potential increase in flood risks due to the long-term trends of climate change, the investment in insurance for this period increased by NT\$279,000 compared to the previous year. Considering the need for protection against long-term physical risks, this period saw capital expenditures of NT\$9,580 thousand and maintenance expenses of NT\$311 thousand for the upgrading of drainage systems and improvement of flood prevention facilities, in order to enhance the operational resilience of the plant, resulting in an increase in non-current assets.

Item	Status of Implementation			
			<ul style="list-style-type: none"> Through preventive desilting, insurance transfer, and hardware infrastructure strengthening, the Company itself is committed to reducing recovery costs and the risk of operation interruption during medium to long-term extreme climate events, thereby maintaining long-term financial stability. 	<ul style="list-style-type: none"> reinforced perimeter walls. Elevated equipment and warehouse storage racks. Conduct flood response drills.
	Opportunities	Introduction of low-carbon energy	<p>The impact of this opportunity spans short, medium, and long term, with the relevant financial impact for this period as follows:</p> <ul style="list-style-type: none"> To increase energy autonomy and implement energy transition, this period saw a capital expenditure of NT\$13,843 thousand for the installation of renewable energy equipment such as solar photovoltaic and geothermal power generation within the plant, and an expenditure of NT\$84,223 thousand for geothermal exploration, resulting in increased cash outflows from non-current assets and investment activities. Through self-built solar power and green electricity procurement, the Company itself has increased electricity purchase costs in the short term, with an expenditure of NT\$18,458 thousand for this period. In the long term, it can reduce reliance on traditional fossil fuels, effectively mitigating the impact of future carbon fee cost increases and enhancing the company's green competitiveness and brand value. 	<ul style="list-style-type: none"> Developing self-built solar farms. Natural gas is preferred as the source of steam supply. The Company established USI Green Energy Corporation to invest in and participate in the renewable electricity market.
		Enhance corporate reputation and brand awareness	<p>The impact of this opportunity spans short, medium, and long term, with the relevant financial impact for this period as follows:</p> <ul style="list-style-type: none"> With the increasing demand for transformation in the market, the sales revenue contribution from sustainable-related products (including photovoltaic-grade EVA film materials) this period amounted to NT\$1,525,765 thousand. 	<p>Development of new products to actively transform and penetrate the B2C market includes:</p> <ul style="list-style-type: none"> ISO 14021 certified international recycled products. Sustainable product development and resource efficiency improvement. Promote recyclable packaging products.
3. Describe the financial impact of extreme climate events and transformational action.	<p>• Impact of Extreme Weather Events on Financial Performance</p> <p>The Company itself refers to the IFRS S2 "Climate-related Disclosures" standard to assess the effects of climate-related risks and opportunities on the business strategy and Financial Position. The Company itself identifies key factors through scenario analysis and incorporates countermeasures into the business decision-making process.</p> <p>For physical risks, reference was made to the Taiwan Climate Change Key Indicators Atlas: AR6 Statistical Downscaling Edition by the Taiwan Climate Change Projection and Information Platform (TCCIP) and research data from the National Science and Technology Center for Disaster Reduction. The scenarios adopted in IPCC AR6 combine Shared Socioeconomic Pathways (SSP) and Representative Concentration Pathways (RCP).</p> <p>The Company has selected the SSP5-8.5 scenario (extremely high greenhouse gas emissions) as the baseline, with CO₂ emissions expected to double around 2050. It will conduct financial impact analysis for hazards such as "extreme heat", "flooding", and "drought".</p> <p>1. Analysis of the Physical Impact of Climate Events and Their Financial Impact</p> <p>(1) Risk of intense typhoons and rainfall: Although the number of typhoons affecting Taiwan by mid-century is projected to decrease by approximately 15%, the proportion of severe typhoons is expected to increase significantly by approximately 100%, and typhoon precipitation is expected to increase by 20%. This trend may cause operational locations to flood due to heavy rainfall, leading to equipment damage or suspension of work, resulting in revenue losses.</p>			



Item	Status of Implementation
	<p>(2) Strong winds and extreme wind speeds: Maximum wind speeds are expected to increase by approximately 4%. The threat of strong winds may cause structural damage to factory buildings or disrupt power facilities, thereby increasing subsequent repair expenses and operational costs.</p> <p>(3) Long-term climate trend: By the end of the 21st century, the proportion of severe typhoons may increase by up to 50%, and typhoon precipitation may increase by 35%. In the long term, if no adaptation actions are taken, the risk of asset loss and operational uncertainty will continue to rise.</p> <p>2. Enhancing resilience in response to physical risks To strengthen strategy resilience and reduce potential financial losses, The Company itself takes preventive adaptation actions.</p> <p>(1) Enhancing Disaster Preparedness: In response to the threat of severe typhoons, strengthen the plant's drainage systems and flood prevention facilities, and improve the wind and disaster resistance of buildings and equipment to reduce unplanned capital expenditures due to equipment damage.</p> <p>(2) Refine scenario analysis: Continuously update the physical risks scenario analysis tools, incorporating high temperature and aridity risks into the financial evaluation framework to facilitate the planning of more precise adaptation management strategies.</p> <p>Incorporation into Decision-making Process: Integrate the aforementioned risk evaluation results into the company's overall strategy resilience assessment to ensure the financial impact of climate change can be considered in the early warning stage of business operations.</p> <p>• Impact of Transition Actions on Financial Performance In the context of the Low Carbon Economy Transition, The Company itself faces a wide range of challenges arising from policy and regulations, technological development, and market demand. According to the analysis, key risks in the short term to long term include carbon fee imposition, total greenhouse gas emissions control, renewable energy regulations, and shifts in consumer preferences. Although market demand for low-carbon products is on the rise and the Company itself has already established a sales foundation and continues to develop these products, it is expected that sales volume will be less impacted. However, operational costs and capital investments during the transition process will have a significant impact on finances.</p> <p>In response to Transformation Risks, The Company itself takes the following actions and reflects them in the financial structure:</p> <p>1. The Company itself has officially introduced internal carbon pricing, using shadow pricing as the basis for investment evaluation to enhance the execution opportunities of carbon reduction projects. Based on the carbon fee imposition method announced by the Ministry of Environment, relevant carbon fee expenditures (operating expenses) were estimated at NT\$24.37 million according to the emission volume. To reduce carbon emissions in response to the impact of carbon fees, this period saw a capital expenditure of NT\$6,476 thousand and operating expenses of NT\$1,013 thousand. These funds were used for replacing old motors, boilers, and ice water machines, as well as installing energy-efficient equipment. Although in the short term, increased capital expenditure leads to higher depreciation and cash outflows, in the long term, the reduction in electricity expenses and carbon fee costs through improved energy efficiency can optimize profitability.</p> <p>2. To increase energy autonomy and in line with energy transition and low-carbon power introduction, the Company itself is actively developing self-built solar farms, with the photovoltaic system in the plant scheduled for completion in 2026. This period has already seen a capital expenditure of NT\$13,843 thousand for the installation of solar photovoltaic within the plant. In addition, through the self-consumption and green electricity procurement strategy, the Company itself aims to mitigate the impact of future increases in electricity carbon emission costs. By analysing various data with the energy management system, it seeks the maximum scope for improvement.</p>

Item	Status of Implementation
	<p>3.Product innovation and sustainable brand management: The Company itself continues to invest in the research, development, and promotion of sustainable-related products, actively transforming to penetrate the B2C market. Research and development expenses and certification costs were invested in photovoltaic-grade EVA film raw material products this period, and ISO 14021 certified international recycled products were acquired. Although these actions have increased the research and development and brand promotion expenses for this period, they help enhance corporate reputation, ensure competitive advantage under green consumption trends, and have contributed to the sales revenue of sustainable-related products this period, amounting to NT\$1,525,765 thousand.</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>To uphold the principles of integrity and ensure sound operation and sustainable development while mitigating potential operational risks, the Company's Board of Directors approved the "Risk Management Policy and Procedures" in 2020. This framework enables directors to effectively assess and oversee various existing or potential risks. Functional departments are tasked with conducting timely evaluations and rolling adjustments based on the latest international economic developments, ESG regulations, and the Company's risk and opportunity assessment mechanisms. The General Manager's Office reports the status of company risk management operations and key execution plans for the coming year to the Audit Committee and the Board of Directors at least once annually, allowing them to understand existing risks and provide more specific strategic advice for the company's operations in a timely manner.</p>
<p>5. If scenario analysis is used to assess the resilience to climate change risks, describe the scenarios, parameter, assumptions, analytical factors, and key financial impacts.</p>	<p>In response to the intensifying global climate change, the Company continues to adopt the TCFD framework to assess risks associated with extreme weather events and identify emerging business opportunities. Based on data from the Taiwan Climate Change Projection and Information Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction, projections under the RCP 8.5 scenario for the period 2016–2035 have been conducted, covering temperature rise, changes in precipitation, flooding, and drought. Three key physical risk issues have been identified accordingly. This assessment aligns with the Group's strategy, industry characteristics, Taiwan's Intended Nationally Determined Contributions (INDC), and TCFD indicators.</p> <p>Physical Risks and opportunities are categorized, based on their nature, into two types: transition risks and physical risks. Transition risks include: policy regulation, goodwill, technology, and market. Physical risks include: flooding, aridity, and high temperatures. Opportunities encompass four dimensions: resource efficiency, energy sources, products and services, and market.</p> <p>For physical risks, reference was made to the Taiwan Climate Change Key Indicators Atlas: AR6 Statistical Downscaling Edition published in June 2023 by the Taiwan Climate Change Projection and Information Platform (TCCIP), and the Climate Change Disaster Risk Map of Taiwan by the National Science and Technology Center for Disaster Reduction to estimate future long-term climate changes and potential climate risks. The IPCC AR6 scenario adopts a combination of Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). The Company has selected the SSP5-8.5 scenario (extremely high greenhouse gas emissions, with CO₂ emissions doubling around 2050) to conduct future scenario analysis for climate disasters such as "extreme heat", "flooding", and "drought".</p> <p>Transition risks are assessed with reference to the World Energy Outlook (WEO) published by the International Energy Agency (IEA) in 2021. The report outlines three scenarios based on varying energy trends and climate policies: STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net Zero Emissions Scenario). Among these, NZE represents the most ambitious pathway, assuming all countries achieve net-zero emissions by 2050, and entails the most rigorous mitigation measures. In addition, the Company also references the "Taiwan 2050 Net-Zero Emissions Roadmap and Strategy Overview", released by the National Development Council in 2022. This alignment with national carbon reduction pathways ensures the Company maintains operational resilience amid the escalating impacts of climate change.</p> <p>The main financial impacts include: government carbon fees and water consumption fee policies will directly increase the Company's operational costs, and in the short term, capital investment is required to improve energy and water resource efficiency. However, in the long term, through the introduction of energy-saving technologies, process recycling, and Circular Economy measures, operational costs will gradually decrease</p>



Item	Status of Implementation
	and the company's competitiveness will be enhanced. In addition, the rising raw material prices caused by climate change will also affect production costs; the Company needs to invest in smart equipment to improve energy efficiency and resource recycling, thereby reducing financial risks and capturing market transition opportunities to maintain long-term financial stability.
6. If there is a transition plan for managing climate-related risks, describe the plan, as well as the metrics and targets used to identify and manage entity risk and transition risks.	<p>In order to achieve the corporate sustainability vision, we are taking proactive steps to implement corresponding response strategies and management mechanisms. The Company's production plants continue to perform ISO 14064-1 greenhouse gas inventories and verifications, and plan and execute carbon reduction initiatives. We are also actively developing external renewable energy projects. By the end of 2025, the subsidiary USI Green Energy Corporation's solar grid connection capacity has increased to 9 MW, with an expected annual power generation of over 11.25 million kWh, and plans to reach a 12 MW installation scale by 2027.</p> <p>Following the Group's 2030 carbon reduction targets, the Company has developed a decarbonization roadmap. In 2025, greenhouse gas emissions were reduced by 25% compared to the base year (2017), primarily due to a decrease in production capacity. In the future, the Company will actively implement energy-saving and carbon-reduction initiatives. The mid-term strategy will focus on transitioning to low-carbon energy, enhancing energy efficiency, implementing intelligent monitoring, and the installation and utilization of renewable energy. The long-term strategy will continue to concentrate on low-carbon fuels, carbon capture and reuse technologies, and negative emission technologies, achieving carbon neutrality and promoting sustainable development.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price.	<p>To proactively respond to the government's carbon pricing policy, effectively address climate change, and reduce carbon risks, the USI Group introduced an internal carbon pricing system in 2024. The implementation covers all plants in Taiwan, and the price is based on the domestic carbon fee benchmark. Initially, the internal carbon price is set at NT\$300 per metric ton, with plans for periodic reviews and phased adjustments. This mechanism aims to integrate carbon costs into corporate decision-making and investment evaluation processes, enabling the Company to assess the operational impact of emissions, accelerate the implementation of reduction measures, and stimulate low-carbon investments.</p> <p>To ensure the effective implementation of the mechanism, the Group conducts regular annual management and confirms the status of implementation. In May 2025, the Group completed the audit of each unit's integration of carbon pricing into project evaluations to ensure that the mechanism effectively translates into a driving force for low-carbon transformation, thereby achieving the Group's long-term sustainable development goals.</p>
8. If climate-related targets are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the sources and quantities of carbon reduction credits or	<p>Climate change poses a global challenge. In alignment with international efforts and the pursuit of sustainable development, Taiwan promulgated the amended Climate Change Response Act - formerly the Greenhouse Gas Reduction and Management Act - on February 15, 2023. In response to the impacts of climate change, carbon reduction has become a universal goal. In early 2022, the USI Group established a carbon reduction target for 2030 to reduce carbon emissions by 27% compared to 2017 levels. In 2023, the Group further set the long-term corporate goal of achieving carbon neutrality by 2050. Following the Group's carbon reduction targets, the Company has planned the 2050 decarbonization roadmap to achieve the corporate sustainability vision. By the end of 2025, the subsidiary USI Green Energy Corporation's solar grid connection capacity has increased to 9 MW, with an expected annual power generation of over 11.25 million kWh. In 2025, the USI Kaohsiung Plant purchased 3.703 million kWh of green electricity and acquired 3,704 renewable energy certificates, with a renewable energy percentage of 1.28%. The estimated carbon reduction reached 1,833 metric tons CO₂e.</p> <p>Information on the scope, schedule, and annual progress of greenhouse gas emissions can be found in Item 9, Status of Implementation.</p>

Item	Status of Implementation
renewable energy certificates (RECs) used for offsets should be described.	
9. Inventory and assurance of GHG, along with reduction targets, strategies, and specific action programs (refer to Sections 1-1 and 1-2).	Please refer to the explanations in sections 1-1 and 1-2.

Greenhouse Gas Inventory and Confirmation Status in the Last Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the GHG emissions in the last two years (metric tons of CO₂e), intensity (metric tons of CO₂e per million dollars), and data coverage scope.

1. The parent company entity shall begin inventory starting from 2026.

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

The parent company entity has completed a greenhouse gas inventory since 2021 in accordance with the ISO 14064-1:2018 standard issued by the International Organization for Standardization to monitor greenhouse gas emissions. Starting from 2024, the Company entity and the subsidiaries included in the consolidated financial statements conduct annual inventories. The greenhouse gas inventory data for the past two years have been consolidated based on the operational control approach, including emissions from the Company and all subsidiaries included in the consolidated financial statements, as detailed below:

Year	2024		2025	
The Company	Total Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e /Million NT\$)	Total Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e /Million NT\$)
Scope 1 [Direct Greenhouse Gas Emissions]	17,254.2748		17,110.1245	
Scope 2 [Indirect Greenhouse Gas Emissions]	107,909.7667		111,539.9431	
Subtotal	125,164.0415		128,650.0676	
All subsidiaries included in the consolidated financial statements	Total Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e /Million NT\$)	Total Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e /Million NT\$)
Scope 1 [Direct Greenhouse Gas Emissions]	170,516.1938		152,350.9736	
Scope 2 [Indirect Greenhouse Gas Emissions]	396,472.3544		405,098.1226	
Subtotal	556,998.5482		557,449.0962	
Total	692,152.5897	13.5694	686,099.1638	15.5339

Note: 1. The inventory calculation for 2024 and 2025 adopts the ISO 14064-1:2018 standard.

2. If the carbon emissions of an inventory point in 2025 account for less than 5% of total emissions and there are no major operational changes, the emission data from the first year (2023) will be used for calculations.

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

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

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

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



1-1-2 Greenhouse Gas Confidence Information

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

1. The parent company entity shall begin assurance starting from 2028.

2. Subsidiaries included in the consolidated financial statements shall begin assurance starting from 2029.

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

Scope of Assurance		2024 Emissions (tons CO ₂ e)	2025 Emissions (tons CO ₂ e)	
The Company	Scope 1 [Direct Greenhouse Gas Emissions]	17,254.2748	Complete assurance information will be disclosed in the 2025 Sustainability Report	
	Scope 2 [Indirect Greenhouse Gas Emissions]	107,909.7667		
	Total	125,164.0415		
	Percentage of the inventory data disclosed in section 1-1-1	100%		
Subsidiaries included in the consolidated financial statements	Scope 1 [Direct Greenhouse Gas Emissions]	170,516.1938		
	Scope 2 [Indirect Greenhouse Gas Emissions]	396,472.3544		
	Total	556,998.5482		
	Percentage of the inventory data disclosed in section 1-1-1	100%		
Assurance Institutions		Ernst & Young Global Limited		
Assurance Status Description		Assurance Standard 3410 Limited Assurance		
Assurance Opinion/Conclusion		Unqualified Conclusion		

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

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

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

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

<p>Describe the base year of greenhouse gas reduction and its data, reduction targets, strategies and specific action plans, and the achievement of reduction targets.</p> <p>The Company itself actively promotes sustainable operations. In early 2022, it established its first carbon reduction target, planning to reduce carbon emissions by 27% by 2030 compared to 2017 levels. Additionally, in 2023, it further set a more challenging goal to achieve carbon neutrality by 2050. The target includes the merged company and focuses on Scope 1 [Direct Greenhouse Gas Emissions] and Scope 2 [Indirect Greenhouse Gas Emissions].</p> <p>In terms of concrete carbon reduction actions, domestic production plants continue to implement ISO 14064-1 greenhouse gas inventory and third-party verification. Through systematic management, they effectively track emissions data and trends. Additionally, this period also saw an active investment of NT\$6,476 thousand in capital expenditures and NT\$1,013 thousand in operating expenses. The specific executions included replacing old motors, boilers, and ice water machines, as well as installing LED energy-saving lighting, effectively reducing energy consumption and carbon emissions.</p> <p>The introduction of renewable energy is also a key aspect of The Company itself's carbon reduction strategy. This period saw a capital expenditure of NT\$13,843 thousand to actively establish renewable energy equipment, including solar photovoltaic and geothermal power generation within the plant. By the end of the current period, the subsidiary USI Green Energy Corporation's solar grid connection capacity has increased to 9 MW, with an expected annual power generation of over 11.25 million kWh. It plans to reach an installation scale of 12 MW by 2027, demonstrating significant achievements in the company's renewable energy deployment. The internally inventoried Scope 1 emissions for 2025 were 169,461 metric tons CO₂e, Scope 2 emissions were 516,638 metric tons CO₂e, with a total YEAR emissions of 686,099 metric tons CO₂e. This represents a 25% reduction in carbon compared to the baseline year 2017. The above data demonstrates that the Company's current stage carbon reduction strategy is showing initial results. In the future, it will continue to promote various energy-saving and emission reduction measures, moving towards a more sustainable and competitive business model.</p>

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

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

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



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

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

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

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such discrepancies
	Yes	No	Abstract Illustration	
the policies, and implemented the policies, and reviewed the aforementioned policies on a regular basis?			<p>employees, and actual controllers, as well as disciplinary measures and grievance mechanisms for violations.</p> <p>2. The Company has established the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" to promote the reporting of any illegal behavior or violation of the Code of Conduct or the Ethical Corporate Management Principles. Multiple whistleblowing channels are available. Employees and external parties may report illegal, unethical, or dishonest conduct through the following channels. Designated personnel are responsible for handling such reports, and the identity of whistleblowers and the content of the reports are kept confidential. Whistleblowing Channels:</p> <p>⊙ Audit Committee Email: Available on the company website for shareholders, investors, and other stakeholders to file complaints.</p> <p>⊙ Group Audit Office: Reporting hotline: 2650-3783.</p> <p>⊙ Group Human Resources Department: Complaint hotline (extension 2609) and email: usighr@usig.com</p> <p>⊙ Employee Complaint Mailbox: Located at the security office or bulletin board area in the plant; in the Taipei office, located on the 6th floor of the Tai Ju Building.</p> <p>No illegal report was received by any division in 2025.</p> <p>3. Implementation of relevant regulations and continuous offering of education and training to raise employees' awareness.</p>	
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(II) Does the Company have a unit under the Board of Directors that specializes in promoting ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct".</p> <p>(II) To enhance ethical corporate management, the Corporate Governance Work Team is responsible for the formulation and supervision of the implementation of ethical corporate management policies and prevention solutions. The Corporate Governance Officer is responsible for regular reports (at least once every year) to the Board of Directors. The Corporate Governance Officer will report to the Board of Directors on November 10, 2025, on the annual performance of ethical operations, including the following:</p> <p>1. In line with legal and regulatory requirements, the Company has established and implemented relevant regulations to enforce the integrity management policy.</p> <p>2. Risks of unethical conduct within the business scope are regularly analyzed and assessed using the "Checklist for Assessing the Risk of Unethical Conduct." Based on the assessment, no significant risks were identified for the current year.</p> <p>3. The Company has planned its internal organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope.</p> <p>4. It promoted and coordinated of honesty policy advocacy training.</p> <p>5. Establish a whistleblowing system to ensure effective execution. No reports of illegal conduct were received this year.</p>	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".



Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such discrepancies																											
	Yes	No	Abstract Illustration																												
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		6. Assist the Board of Directors and the General Manager in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical corporate management are carried out effectively, and prepare reports on the regular assessment of compliance with operating procedures. (III) The Company has formulated the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to prevent conflicts of interest and provide suitable channels (the Audit Committee mailbox, a dedicated section for stakeholders, a dedicated section for shareholders' questions and answers, and a dedicated section for investor services on the Company's website: https://www.usife.com.tw/) for Directors, managerial officers, and employees to explain any potential conflict of interest with the Company. Responses to shareholders' questions are also included in the shareholders' Q&A section for public viewing.																												
(IV) Does the Company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?	✓		(IV) The accounting system and internal control system of the Company can operate independently and objectively, and the internal auditors report their findings to the audit committee and the Board of Directors regularly. CPAs appointed by the Company regularly perform internal audits and hold discussions with the management. The internal audit unit, after assessing risks, has drafted the audit plan for the next year, which incorporates the items under "Management of Reporting Illegal and Unethical or Dishonest Behavior," so as to audit the compliance with the Company's Unethical Conduct Prevention Program.																												
(V) Does the Company regularly hold internal and external training related to ethical corporate management?	✓		(V) To promote understanding and adherence to the Group's integrity and ethical standards among directors, managers, and employees, the Company requires all new hires to comply with the integrity management policy. Employees must sign a letter of commitment on their first day of employment. Directors and senior managers sign a statement of ethical conduct upon their appointment. These records are kept by designated personnel for future reference. To implement integrity management and ethical conduct, the Company continues to conduct awareness programs and training sessions, including assessments to enhance employee understanding. In 2025, the Company conducted educational training courses related to integrity management, with a total of 928 participants (including employees and directors) and a total of 1,003 training hours. The course details are as follows:																												
<table border="1"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Course Title</th> <th rowspan="2">Hours</th> <th colspan="2">Total</th> </tr> <tr> <th>Total Participants</th> <th>Total hours</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>The first Group Code of Conduct briefing by the Group</td> <td>1</td> <td>423</td> <td>423.0</td> </tr> <tr> <td>2</td> <td>The second Group Code of Conduct briefing by the Group</td> <td>1</td> <td>409</td> <td>409.0</td> </tr> <tr> <td>3</td> <td>Other</td> <td></td> <td>96</td> <td>171.0</td> </tr> <tr> <td colspan="3">Total</td> <td>928</td> <td>1,003.0</td> </tr> </tbody> </table>					No.	Course Title	Hours	Total		Total Participants	Total hours	1	The first Group Code of Conduct briefing by the Group	1	423	423.0	2	The second Group Code of Conduct briefing by the Group	1	409	409.0	3	Other		96	171.0	Total			928	1,003.0
No.	Course Title	Hours	Total																												
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Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such discrepancies
	Yes	No	Abstract Illustration	
<p>III. Implementation of the Company's Whistleblowing System</p> <p>(I) Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to handle investigations against wrongdoers?</p>	✓		<p>(I) On November 13, 2019, the Board of Directors approved the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct," which are publicly disclosed on the Company's website (URL: https://www.usife.com.tw/USIWebFiles/Others/USI_IllegalReport.pdf)</p> <p>The procedures specify the whistleblowing channels, reward system, designated personnel, and protection for whistleblowers:</p> <p>1. Report channel:</p> <p>(1) Personal report: Face-to-face explanation. (2) Whistleblowing Hotline: 02-26503783 (3) Written report: Audit Office, 7F., No. 37, Jihu Rd., Neihu Dist., Taipei City. (4) Reports made in person or by phone will be documented in writing by responsible personnel and marked as "confidential".</p> <p>2. Incentive system: Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to the General Manager to provide the whistleblower with appropriate rewards.</p> <p>3. Responsible personnel: (1) Audit Committee: Accept reports from shareholders, investors, and other stakeholders. (2) Audit Office: Accept reports from customers, suppliers, and contractors. (3) Human Resources Department: Accept reports from employees.</p> <p>4. Whistleblower protection: Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation. Where the whistleblower is an employee, the Company shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.</p>	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".
<p>(II) Has the Company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?</p>	✓		<p>(II) The Company's Board of Directors passed the "Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct", which specifies the standard operating procedures for investigating the case being exposed by the whistle-blower and the relevant confidentiality mechanism; where whistle-blower is anonymous or did not use his/her true name, or the content stated or the proof of origin provided is deemed necessary for investigation, the case may still be reported to the Chairman/General Manager before the case is handled and recorded as a reference for internal review. After a report is accepted, an investigation will be conducted for internal evidence. If it is proved to be true, the Company will handle it based on its illegal violation or the severity of violation in accordance with the disciplinary regulations and relevant laws.</p>	
<p>(III) Has the Company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?</p>	✓		<p>(III) The procedures explicitly state that whistleblowers and individuals involved in investigations must be afforded strict confidentiality and protection against unfair treatment or retaliation.</p>	



Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such discrepancies
	Yes	No	Abstract Illustration	
IV. Enhancing information disclosure Has the Company disclosed the content and effectiveness of its integrity management principles on the Company's website and the MOPS?	✓		The Company has disclosed relevant regulations and information on ethical corporate management on the Company's website. Website: https://www.usife.com.tw/zh-tw/dirInvestor/frmInvestor1). Information regarding the Company's integrity management practices and outcomes is disclosed in the annual report and on the MOPS.	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".
V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, state the discrepancies between these principles and its implementation: The Company has established its "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers", the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", the "Code of Conduct for Employees Regarding Concurrent and Part-time Work", and the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct". There was no material discrepancy during the implementation of these rules and regulations.				
VI. Other important information that facilitates the understanding of the implementation of ethical corporate management: (such as review and amendment of the Company's "Ethical Corporate Management Best Practice Principles") 1. By referring to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" promulgated by the competent authority, the Company has formulated own "Ethical Management Best Practice Principles," "Ethical Management Operating Procedures" and "Code of Conducts," and "Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct," which has been effective after reporting to and approving by the Board of Directors. The same rule shall apply to any amendments thereof. The Corporate Governance Officer regularly reports to the Board of Directors on the implementation of the integrity management policy. The most recent report was presented on November 10, 2025. 2. In accordance with the Code of Corporate Governance amended by the competent Authority in August 2022, the Company has amended the Company's "Guide to Ethical Business Procedures and Conduct" to stipulate that, in addition to complying with the ban on insider trading, the directors of the Company shall not trade in the Company's shares during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.				

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

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

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



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

1. Internal Control Statement.

The Internal Control System Statement for 2025 has been disclosed and filed on the MOPS. For details, please refer to: MOPS → Individual Company → Corporate Governance → Internal Control → Internal Control Statement.

https://mopsov.twse.com.tw/mops/web/ajax_t06sg20?parameters=0eb65210d5bdc34ea16e295ccdbad1094fa31aee87661611d3f8c22bea3fb50de1d5d55f2907af83df59ae82756caca37dd8deda6d21048dd6757f91f6feed9efade4567702b1a82869a09fd73fc40586ad7ed7f7b28ffaea8f670e39ab4db9a903dde6a928cc89597c96889484360aa163243276d05e7c47dd2c3cb28a46ded

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

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

1. Shareholders' meeting

Year of Meeting	Date of Meeting	Key Resolutions
2025	2025/5/29	The minutes of the Shareholders' Meeting were posted onto MOPS on June 17, 2025. The key resolutions and their status of implementation are as follows: 1. Approved the 2024 Account Book. Status of Implementation: Approved. 2. Approved the 2024 earnings distribution plan. Status of Implementation: Approved. The distribution of cash dividends of NT\$237,752,700 to the shareholders, with August 1, 2025 as the record date, was completed on August 21, 2025. 3. Discussion on the amendment of the Articles of Incorporation. Status of Implementation: Approved. 4. Deliberate on the removal of the non-compete clause for Directors. Status of Implementation: Approved.

2. Board of Directors

Session (Year) of Meeting	Date of Meeting	Key Resolutions
8th Meeting of the 21st Term (1st meeting in 2025)	2025/3/10	1. Ratified endorsement and guarantee for subsidiary USI Green Energy Corporation. 2. Approved the 2024 Account Book. 3. Approved the 2024 earnings distribution plan 4. Approved the amendment of certain articles in the Articles of Incorporation. 5. Approved the definition of the Company's "grassroots employees". 6. Approved the recommendation to lift competition restrictions against elected directors at the Annual General Meeting 7. Approved matters related to the convening of the 2025 general shareholders' meeting. 8. Approved to set the period and premises for receiving shareholders' proposals. 9. Approved the 2025 Evaluation of the Independence of Appointed CPAs. 10. Approved the appointment of CPAs for year 2025. 11. Approved the issuance of the 2024 Statement of Internal Control System. 12. Authorize the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions 13. Approve donations to the USI Education Foundation.
9th Meeting of the 21st Term (2nd meeting in 2025)	2025/5/7	1. To ratify the renewal of the three-year medium-term loan facility with First Commercial Bank. 2. Approved the 2025 Quarter 1 Consolidated Financial Statements.
10th Meeting of the 21st Term (3rd Meeting in 2025)	2025/8/8	1. Ratified endorsement and guarantee for subsidiary USI Green Energy Corporation. 2. Ratified a new three-year medium-term loan facility agreement with Export-Import Bank of China. 3. To ratify the renewal of the three-year medium-term committed loan facility with Bank SinoPac. 4. Approved the 2025 Quarter 2 Consolidated Financial Statements.

Session (Year) of Meeting	Date of Meeting	Key Resolutions
		<ul style="list-style-type: none"> 5. Approved the amendment of certain articles in the Board of Directors Performance Evaluation method. 6. Passed the amendments to the Company's internal control system. 7. Approved the 2024 Sustainability Report. 8. Approval of a new five-year medium-term loan facility agreement with First Commercial Bank. 9. Permitted managerial officers to engage in competitions.
11th Meeting of the 21st Term (4th meeting in 2025)	2025/11/10	<ul style="list-style-type: none"> 1. Ratified endorsement and guarantee for subsidiary USI Green Energy Corporation. 2. To ratify the renewal of the three-year medium-term loan facility with Bank of China, Taipei Branch. 3. Approval of a new five-year medium-term loan facility agreement with Taipei Fubon Commercial Bank. 4. Approved the 2025 Quarter 3 Consolidated Financial Statements. 5. Approved the 2026 budget. 6. Approved remuneration of CPAs for year 2025. 7. Approved the amendment of certain articles in the "Procedures for Transactions with Related Parties, Specific Companies, and Corporate Groups." 8. Approved the amendment of certain articles in the Board of Directors Performance Evaluation method. 9. Passed the amendments to the Company's internal control system. 10. Approved the 2026 Annual Audit Plan.
12th Meeting of the 21st Term (1st meeting in 2026)	2026/3/12	<ul style="list-style-type: none"> 1. Ratified endorsement and guarantee for subsidiary USI Green Energy Corporation. 2. Approved the 2025 Account Book. 3. Approved the 2025 earnings distribution plan. 4. Approved partial amendments to the "Procedures for Acquiring or Disposing of Assets." 5. Approved the election of new directors at this year's general shareholders' meeting. 6. Approved the removal of the restriction on newly-appointed directors' non-competence clause. 7. Approved matters related to the convening of the 2026 general shareholders' meeting. 8. Approved to set the period and premises for receiving shareholders' proposals. 9. Authorize the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions 10. Approved partial amendments to the "Directors and Managerial Officers Remuneration Policy and Procedures." 11. Approved the review of the Company's grassroots employees' scope. 12. Approved the 2026 Evaluation of the Independence and Eligibility of Appointed CPAs. 13. Approved the appointment of CPAs for year 2026. 14. Approved the issuance of the 2025 Statement of Internal Control System. 15. Approve donations to the USI Education Foundation.

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

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



IV. Certified Public Accountants' Fee Information:

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPA	CPA's duration of audit	Audit Fees	Non-Audit Fees	Total	Note
Deloitte Taiwan	Certified Public Accountants Chen, Chun-Hung	2025	4,670	740	5,410	Non-audit fees and details of other services: Fees for verification of the tax is NT\$740 thousand.
	Certified Public Accountant Zhang Zhengxiu	2025				

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

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

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

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

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

The Company did not replace the CPA firm.

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

The audit fees paid by the Company in 2025 has increased decreased by less than 10% compared to that of 2024.

V. Information Regarding the Replacement of CPAs:

(I) Previous CPAs: Not applicable

Date of Replacement	Starting from the 1st quarter of 2025		
Replacement reasons and explanations	Due to internal job rotation at Deloitte Taiwan, Starting from the 1st quarter of 2025, Certified Public Accountants Chuang, Pi-Yu and Certified Public Accountants Chen, Chun-Hung were replaced by Certified Public Accountants Chen, Chun-Hung and Accountant Zhang Zhengxiu.		
State whether the appointer or the CPAs have terminated the appointment, or whether the appointer or the CPAs have rejected the appointment.	Contracting Party	CPA	Scenario
	Position	Not applicable.	
	Termination initiated by client		
CPA declined to accept (continue) the appointment			
Other issues (except for unqualified issues) in the audit reports within the last two years	Not applicable.		
Differences with the Company	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Others
	None.	Explanation:	
Other items for disclosure (where Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Regulation should be disclosed)	None.		

(II) Successor CPAs: Not applicable

Name of accounting firm	Deloitte Taiwan
Name of CPA	CPA Chen, Chun-Hung and Accountant Zhang Zhengxiu
Date of Appointment	Starting from the 1st quarter of 2025
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement	None.
Written opinions from successor CPAs with regards to matters with which former CPAs disagreed	None.

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

VI. The Company's directors, general manager, managerial officer in charge of finance or accounting who has served in a CPA's accounting firm or its affiliated companies in the most recent fiscal year: No such situation.

VII. The latest year and up to the printing date of the annual report, the directors, supervisors, managers and shareholders holding more than 10% of the shares of the Company's stock transfer and changes in the pledges of stock options:



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

Unit: Shares

Title (Note 1)	Name	2025		Current fiscal year up to March 31, 2026	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
Major Shareholder	Shing Lee Enterprises Limited	0	0	0	0
Director	Wu, Yi-Gui (Representative of Shing Lee Enterprise Limited)	0	0	0	0
	Wu, Hung Ting (Representative of Shing Lee Enterprise Limited)	0	0	0	0
Shareholder	Asia Polymer Corporation	0	0	0	0
Director	Yu, Ching-Shou (Representative of Asia Polymer Corporation)	0	0	0	0
	Kao, Che-I (Representative of Asia Polymer Corporation)	0	0	0	0
Shareholder	TTC Chemical Company, Ltd.	0	0	0	0
Director	Wu, Pei-Chi (Representative of Taita Chemical Company, Ltd.)	0	0	0	0
Independent director	Chen Chung	0	0	0	0
	Tu, Tzu-Chun	0	0	0	0
	Hai, Ying-Chun	0	0	0	0
	Chen, Sheng-Te	0	0	0	0
Chief Executive Officer	Wu, Yi-Gui	0	0	0	0
President	Wu, Pei-Chi	0	0	0	0
Deputy General Manager	Liu, Han-Tai	0	0	0	0
Deputy General Manager of Business	Wu, Ming-Tsung	0	0	0	0
Corporate Governance Officer	Chen, Yung-Chih	0	0	0	0
General Plant Manager	Chen, Liang-Chia	0	0	0	0
Financial Officer	Yang, Wen-Li	0	0	0	0
Accounting officer	Kuo, Chuan-Hua	0	0	0	0

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

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

(II) Information regarding equity transfer

Unit: Shares

Name (Note 1)	Reason for Equity Transfer (Note 2)	Date of Transaction	Transferee	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten percent	Number of Shares	Transaction Price
Not applicable.						

Note 1: Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten percent.

Note 2: Fill either "Acquisition" or "Disposal".

(III) Information regarding pledging of shares

Name (Note 1)	Reason for Pledge Change (Note 2)	Date of Change	Transferee	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten percent	Number of Shares	Percentage of Ownership (%)	Percentage of Shares Pledged	Pledged (Redeemed) Amount
Not applicable.								

Note 1: Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten percent.

Note 2: Fill either "Pledge" or "Redemption".

VIII. Information regarding the top 10 shareholders in terms of number of shares held, who are related parties or each other's spouses and relatives within the second degree of kinship:

March 31, 2026

Name (note 1)	Current shareholding		Shares held by spouse and underage children		Shareholding by nominee arrangement total		Title or name and relationship of top 10 shareholders who are related parties or each other's spouses and relatives within the second degree of kinship. (note 3)		NOTE
	Number of Shares	Percentage of Ownership (Note 2)	Number of Shares	Percentage of Ownership (Note 2)	Number of Shares	Percentage of Ownership (Note 2)	Title (or name)	Relationship	
Shing Lee Enterprises Limited Representative: Wu, Hong Cheng	173,776,546	14.62%	—	—	0	0%	Asia Polymer Corporation	Note 4	
	3,000	0%	0	0%	0	0%	None.	None	
Wholegainer Company Limited' investment account is under custody of Fubon Securities Co., Ltd.	110,000,000	9.25%	—	—	0	0%	None.	None	
Asia Polymer Corporation Representative: Wu, Yi-Gui	101,355,673	8.53%	—	—	0	0%	Shing Lee Enterprises Limited	Note 4	
	113,122	0.01%	—	—	0	0%	None.	None	
Fubon Life Insurance Co., Ltd. Representative: Lin, Fu-Hsing	53,422,000	4.49%	—	—	0	0%	None.	None	
	0	0%	0	0%	0	0%	None	None	
Taixing Investment Co., Ltd. Representative: Hsueh, Mei-Liang	24,233,695	2.04%	—	—	—	—	Shareholder information not provided		
	Shareholder information not provided								
Lin, Hua-Hsin	20,756,936	1.75%	0	0%	0	0%	None.	None	
Yueh Hsing Hua Investment Co., Ltd. Representative: Hsueh, Hui-Liang	20,621,422	1.73%	—	—	—	—	Shareholder information not provided		
	Shareholder information not provided								
Yu, Wen-Hsuan	16,750,000	1.41%	0	0%	0	0%	Note 5	Note 5	
Yu, Wen-Tsung	16,750,000	1.41%	0	0%	0	0%	Note 5	Note 5	
Yu, Wen-Yu	16,750,000	1.41%	0	0%	0	0%	Note 5	Note 5	

Note 1: The top ten shareholders should all be listed. If they are institutional shareholders, the names of the institutional shareholders and their representatives should be listed separately.

Note 2: The calculation of the Percentage of Shares Held refers to the percentage of ownership calculated under one's own name, the name of a spouse, underage children, or through nominee arrangements.

Note 3: The aforementioned shareholders, including both legal entities and natural persons, should disclose their Relationship in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 4: Shing Lee Enterprises Limited is the corporate director of Asia Polymer Corporation, the ultimate parent company of the Company itself.

Note 5: Yu, Wen-Hsuan, Yu, Wen-Tsung, and Yu, Wen-Yu are second-degree relatives.



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

December 31, 2025
Unit: shares; %

Investee Companies (Note)	Invested by the Company		Investment by Directors, Supervisors, managerial officers and directly or indirectly controlled companies		Combined Investment	
	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held
USIFE Investment Co., Ltd.	89,647,000	100.00%	-	0.00%	89,647,000	100.00%
Swanlake Traders Ltd.	30,000,000	100.00%	-	0.00%	30,000,000	100.00%
USI Far East (HK) Co., Ltd.	159,999	100.00%	1	0.00%	160,000	100.00%
USI Management Consulting Corp.	1,092,852	100.00%	-	0.00%	1,092,852	100.00%
Union Polymer International Investment Corporation	918,324,656	100.00%	-	0.00%	918,324,656	100.00%
Taiwan United Venture Capital Corp.	7,000,000	70.00%	832,666	8.33%	7,832,666	78.33%
Chong Loong Trading Co., Ltd.	9,070,320	99.96%	-	0.00%	9,070,320	99.96%
Acme Electronics Corporation	61,682,967	28.96%	40,266,639	18.91%	101,949,606	47.87%
Swanson Plastics Corporation	62,616,299	40.58%	24,580,110	15.93%	87,196,409	56.51%
INOMA Corporation	1,334,729	59.13%	-	40.87%	1,334,729	100.00%
Ever Conquest Global Limited	246,670,000	50.85%	170,475,000	43.55%	417,145,000	94.40%
USI Optronics Corporation	33,000,000	100.00%	28,263,712	0.00%	61,263,712	100.00%
USI Green Energy Corporation	36,616,004	33.33%	-	0.00%	36,616,004	33.33%
Huameng Renewable Energy Co., Ltd.	1,000,000	100.00%	-	0.00%	1,000,000	100.00%

Note: Investments accounted for using the equity method.

Chapter 3. Funding Status

I. Capital and Shares

(I) Source of Share Capital

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

As of March 31, 2026; Unit: Shares; NT\$

Year / month	Issue price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Capital Increased by Assets Other than Cash	Others
September, 2011	10	993,567,274	9,935,672,740	993,567,274	9,935,672,740	Capital increase by retained earnings NT\$1,295,957,310	None.	Note 2(1)
August 2012	10	1,142,602,365	11,426,023,650	1,142,602,365	11,426,023,650	Capital increase by retained earnings NT\$1,490,350,910	None.	Note 2(2)
June 2013	10	1,342,602,365	13,426,023,650	1,142,602,365	11,426,023,650	—	None.	Note 2(3)
August 2017	10	1,342,602,365	13,426,023,650	1,165,454,412	11,654,544,120	Capital increase by retained earnings NT\$228,520,470	None.	Note 2(4)
August, 2018	10	1,342,602,365	13,426,023,650	1,188,763,500	11,887,635,000	Capital increase by retained earnings NT\$233,090,880	None.	Note 2(5)

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

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

- (1) Approved document with Reference No. Ching Shou Shang Tzu 10001195590.
- (2) Approved document with Reference No. Ching Shou Shang Tzu 10101178710.
- (3) Approved document with Reference No. Ching Shou Shang Tzu 10201118240 (change of authorized capital).
- (4) Approved document with Reference No. Ching Shou Shang Tzu 10601121280.
- (5) Approved document with Reference No. Ching Shou Shang Tzu 10701105950.

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

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

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

March 31, 2026; Unit: Shares

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

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

2. Information of shelf registration: Not applicable.

(II) List of Major Shareholders

March 31, 2026

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



(III) Dividend Policy and Its Implementation:

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

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

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

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

Cash dividends: A total of NT\$178,314,525 is allocated from the cumulative distributable earnings as of the end of 2025 for cash dividends, with a distribution of NT\$0.15 per share. Upon resolution by the Annual General Meeting of Shareholders, the Chairman is authorized to designate the dividend record date.

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

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

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

Unit: New Taiwan Dollars (NT\$)

Item	Year	
	2025	(Estimated)
Beginning paid-in capital	11,887,635,000	
Distribution of dividends in the current fiscal year (Note 1)	Cash dividends per share	0.15
	Number of shares distributed per share held due to capital increase from surplus earnings	—
Changes in Operating Performance	Number of shares distributed per share held due to capital increase by capital reserve	—
	Operating profit	Not applicable (Note 2)
	Percentage of increase (decrease) in operating income YoY	
	Net income after taxes (NIAT)	
	Percentage of increase (decrease) in NIAT over the same period in the previous fiscal year	
	Earnings per share	
	Percentage of increase (decrease) in EPS over the same period in the previous fiscal year	
Annual average return on investment (reciprocal of average annual price/earnings ratio)		
Pro forma earnings per share and price/earnings Ratio	If capital increase by retained earnings is entirely replaced by cash dividend distribution	Pro forma earnings per share
		Pro forma average annual return on investment
	If capital reserve is not used for capital increase	Pro forma earnings per share
		Pro forma average annual return on investment
If capital reserve is not used for capital increase and capital increase from surplus earnings is replaced by distribution of cash dividends.	Pro forma earnings per share	
	Pro forma average annual return on investment	

Note 1: The stock and cash dividend distribution for 2025 is based on the earnings distribution proposal approved by the Board of Directors on March 12, 2026.

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

(V) Rewards Distributed to Employees and Directors:

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

- (1) Employee rewards: Employee rewards shall not be less than one (1) percent of the Company's profit in the current fiscal year. However, the Company shall reserve its profit to cover its loss if cumulative loss is recorded. The total amount of employee compensation distributed should allocate no less than 40% of the amount to frontline employees. The above-mentioned employee remuneration can be distributed in the form of shares or cash. Remuneration may also be distributed to employees of the Company's subordinate companies when they meet certain conditions. Such conditions shall be set by the Board of Directors.
- (2) Directors' remuneration: Directors' remuneration shall not exceed one (1) percent of the Company's profit in the current fiscal year. However, the Company shall reserve its profit to cover its loss if cumulative loss is recorded.

2. Basis for estimating the amount of remuneration to be distributed to employees and directors, basis for calculating the number of shares to be distributed as employee remuneration and accounting treatment for discrepancies between the actual and estimated amount of remuneration to be distributed for this period:

- (1) Basis for estimating employee compensation: To be calculated based on the condition that employee remuneration shall not be less than one (1) percent of the Company's profit in



the current fiscal year.

- (2) Basis for calculating the number of shares to be distributed as employee remuneration: Not applicable.
- (3) Accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed: If there is any material change made to the amount of rewards upon approval by the Board of Directors, such changes shall be adjusted as annual expenses in the current fiscal year.

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

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

As the Company did not report a profit in 2025, no remuneration will be distributed to employees or directors.

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

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

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

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

- (1) Distribution of rewards to employees and directors in the previous fiscal year: As the Company did not report a profit in 2024, no remuneration will be distributed to directors and employees.

Unit: New Taiwan Dollars (NT\$)

Item	2024 Director and Employee Remuneration Distribution Plan		Discrepancy	Description of Reason for Discrepancy
	Approved by resolution of the shareholders' meeting on May 29, 2025.	Date of Meeting: March 10, 2025		
Remuneration of Directors	0	0	0	-
Remuneration of Employees	0	0	0	-

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

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

II. Issuance of Corporate Bonds

(I) Unpaid Corporate Bonds:

March 31, 2026

Type of Corporate Bonds (Note 2)	110-1 Unsecured Ordinary Corporate Bonds (Series A) (Note 5)	110-1 Unsecured Ordinary Corporate Bonds (Series B) (Note 5)
Issue Date	June 23, 2021	June 23, 2021
Denomination	NT\$1 million	NT\$1 million
Issuance and Trading Locations (Note 3)	Taipei Exchange	Taipei Exchange
Issue price	NT\$1 million	NT\$1 million
Total amount	NT\$1 billion	NT\$1 billion
Interest rate	0.63% per annum	0.73% per annum
Maturity	5 years Maturity Date: June 23, 2026	7 years Maturity Date: June 23, 2028
Guarantor	None.	None
Trustee	Bank SinoPac Company Limited	Bank SinoPac Company Limited
Underwriter	Masterlink Securities Corporation	Masterlink Securities Corporation
Certified Lawyer	True Honesty International Law Offices Lawyer Kuo, Hui-Chi	True Honesty International Law Offices Lawyer Kuo, Hui-Chi
Certified Public Accountant	Deloitte Taiwan CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Deloitte Taiwan CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung
Repayment method	1/2 the capital shall be repaid in the fourth and fifth years from the date of issue	1/2 the capital shall be repaid in the sixth and seventh years from the date of issue
Outstanding principal balance	NT\$1 billion	NT\$1 billion
Terms of redemption or early repayment	Not applicable.	Not applicable.
Restrictions (Note 4)	None.	None
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020
Additional rights	Amount of common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this Annual Report	Not applicable.
	Issuance and Conversion (Swap or Subscription) Methods	None.
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	Not applicable.	Not applicable.
Name of commissioned custodian of exchangeable underlying	Not applicable.	Not applicable.



Type of Corporate Bonds (Note 2)	110-2 Unsecured Ordinary Corporate Bonds A (Note 5)	110-2 Unsecured Ordinary Corporate Bonds B (Note 5)
Issue Date	October 26, 2021	October 26, 2021
Denomination	NT\$1 million	NT\$1 million
Issuance and Trading Locations (Note 3)	Taipei Exchange	Taipei Exchange
Issue price	NT\$1 million	NT\$1 million
Total amount	NT\$700 million	NT\$1.3 billion
Interest rate	0.63% per annum	0.77% per annum
Maturity	5 years Maturity Date: October 26, 2026	7 years Maturity Date: October 26, 2028
Guarantor	None.	None
Trustee	Bank SinoPac Company Limited	Bank SinoPac Company Limited
Underwriter	Masterlink Securities Corporation	Masterlink Securities Corporation
Certified Lawyer	True Honesty International Law Offices Lawyer Kuo, Hui-Chi	True Honesty International Law Offices Lawyer Kuo, Hui-Chi
Certified Public Accountant	Deloitte Taiwan CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Deloitte Taiwan CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung
Repayment method	1/2 the capital shall be repaid in the fourth and fifth years from the date of issue	1/2 the capital shall be repaid in the sixth and seventh years from the date of issue
Outstanding principal balance	NT\$700 million	NT\$1.3 billion
Terms of redemption or early repayment	Not applicable.	Not applicable.
Restrictions (Note 4)	None.	None
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020
Additional rights	Amount of common shares already converted (swapped or warranted) and global depositary receipts or other negotiable securities as of the publication date of this Annual Report	Not applicable.
	Issuance and Conversion (Swap or Subscription) Methods	None.
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	Not applicable.	Not applicable.
Name of commissioned custodian of exchangeable underlying	Not applicable.	Not applicable.

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

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

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

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

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

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

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

III. Issuance of preferred shares: None.

IV. Issuance of Global Depository Receipts: None.

V. Issuance of Employee Stock Options: None.

VI. New Restricted Employee Shares: None.

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

VIII. Implementation of Capital Utilization Plan

(I) Content:

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

(II) Status of Implementation:

Not applicable.



Chapter 4. Operations Overview - Consolidated Information

I. Business Content:

(I) Scope of Business:

1. Main purpose of the Company's businesses

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

- (29) Business management and consulting services for invested businesses and other venture capital investments.
- (30) Electricity supply industry.
- (31) Distribution and contract processing services for the aforementioned products
- (32) Research, promotion, and related services for the above businesses.

2. Ratio

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

Product Item	Proportion of Revenue (%)
Plastic Raw Materials	91
Electronic Materials	6
Others	3

3. The Company's current product items

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

4. New products development

- (1) Development of new optical-grade applied materials - Cyclic block copolymer
- (2) High-speed laminating film-grade EVA products
- (3) High-viscosity pre-coating film-grade EVA products
- (4) High-performance foam-grade ethylene-vinyl acetate (EVA) resin products
- (5) Specialty cable-grade EVA resin products
- (6) Hot-melt adhesive-grade EVA resin products
- (7) Other specialty-grade EVA resin products



- (8) Utilizing 30L PVC rejoining experimental tank to carry out the analysis of each by-product counterpart.
- (9) 30L test tank test tank new formula
- (10) transparent leather/fabric products
- (11) Mechanical masking PP board
- (12) PVC/TPE paste cloth without solvent development
- (13) Low VOC series leather for PVC/TPE
- (14) TPO Aprons Rubber
- (15) TPO Single-Material (Slippers)
- (16) PVC Conductive Film
- (17) PVC Cooling Release Film
- (18) PVC Low Smoke Flame-Retardant Film
- (19) TPO antistatic transparent membrane
- (20) Non-PVC adhesive tape cloth
- (21) TPO Release Film
- (22) TPU Running Belts/Conveyor Belts
- (23) Low Ammonia Foaming Soft Leather
- (24) Antimony oxide replacement formulation (tape product)
- (25) Antimony oxide replacement formulation (rubber product)
- (26) TPE Single-Material (Sneakers)
- (27) Inkjet Printing Film
- (28) Imported cooling color paste replacement
- (29) TPO garden hose
- (30) Integrated cushion with water-repellent fabric surface
- (31) PVC water-based adhesive electrical tape
- (32) Transformation of plasticizer in tape fabric for environmental protection on Earth
- (33) ISO 14021 recycled material environmental protection pipe certification
- (34) Antibacterial and Anti-Mold Piping Materials
- (35) TPO Vacuum Seat Cushion Material
- (36) Solvent-free surface treatment leather for PVC/TPE
- (37) PE/CBC Easy-Tear Adhesive Tape Fabric
- (38) SEMIPU Semi-finished Product Development
- (39) Development of semi-rigid printed products
- (40) Development of Casting Furniture Replicas Through the Use of Soft Leather
- (41) PVC third generation anti-fouling rubber development
- (42) Acrylonitrile-butadiene-styrene polymer (ABS) high gloss material development
- (43) Expanded polystyrene (EPS) rapid prototyping grade material development
- (44) Development of materials and iron cores for applications with frequencies up to 10MHz.
- (45) Development of 3D/4D automotive sensor iron cores
- (46) Development of power materials and iron cores for electric vehicle charger boxes
- (47) High flux/high Curie temperature choke materials and iron cores for automotive applications development
- (48) Development of CAN bus materials and iron cores for automotive applications

- (49) Development of automotive airbag connector materials and iron cores
- (50) Development of composite iron core lamination technology
- (51) Development of power supply design high temperature current resistant material and iron cores
- (52) High-frequency low-loss GaN/SiC server applications core material design and development
- (53) Development of high-frequency, high-magnetic-flux ($\Delta B > 120\text{mT}$) power materials and iron cores
- (54) Development of SiC precision block sintering powder and carrier disk

(II) Industry Overview:

1. Current state and development of the industry

Since the start-up of the Formosa Plastics Sixth Naphtha Cracker Complex, the domestic production capacity of PE/EVA in Taiwan has increased year by year and has stabilized in recent years. Currently, there are three domestic PE/EVA producers: The Company itself (including USI Corporation and APC) and Formosa Plastics Corporation. With each of USI and APC commissioning a new EVA production line in 2016, the total domestic production in 2025 reached 976,000 metric tons, comprising 382,000 metric tons of HDPE, 125,000 metric tons of LLDPE, and 467,000 metric tons of LDPE (including EVA). In terms of domestic demand in 2025, the total demand for HDPE was 304,000 metric tons, LLDPE was 245,000 metric tons, and LDPE (including EVA) was 181,000 metric tons. Due to relatively low import tariffs and competitive pricing, imported materials still account for a significant share of the market.

In 2025, the Chinese petrochemical industry experienced significant overcapacity, leading to poor market demand for PVC. This resulted in a substantial decrease in VCM procurement prices, dropping to the lowest level since 2002, creating immense operational pressure.

There are four manufacturers of ABS/GPS/EPS in Taiwan, and the domestic demand only accounts for 10% of the annual production of each product, while the rest of the products are exported to maintain normal operation. Because of cost competitiveness and the response to competition from U.S.-China trade, downstream processing plants are slowly shifting from Mainland China to Southeast Asian countries to set up factories. In addition, India, the Middle East, Africa, and Central and South America are emerging markets with relative potential for demand growth. The EPS production capacity in Mainland China significantly exceeds market demand. According to 2025 statistics, Mainland China's annual EPS production capacity was approximately 9.5 million tons, but the operating rate was only around 50%. From an application perspective, EPS demand in China is primarily divided into four segments: appliance packaging, fruit and vegetable boxes, ceramic packaging, and panels—with appliance packaging and construction panels being the dominant uses. From a regional market perspective, demand is mainly concentrated in South China (Guangdong), East China (Jiangsu and Zhejiang), North China (Shanxi, Hebei, and Shandong), and Northeast China (Heilongjiang, Jilin, and Liaoning). Appliance packaging is predominant in South China, Hunan-Hubei, and East China, while construction panels are the main application in North and Northeast China. Fruit and vegetable boxes and ceramic packaging are mainly used in Yunnan and Guangdong. With advancements in the Chinese government's policy for expanding the domestic market, the electrical appliance production sites in South China and East China



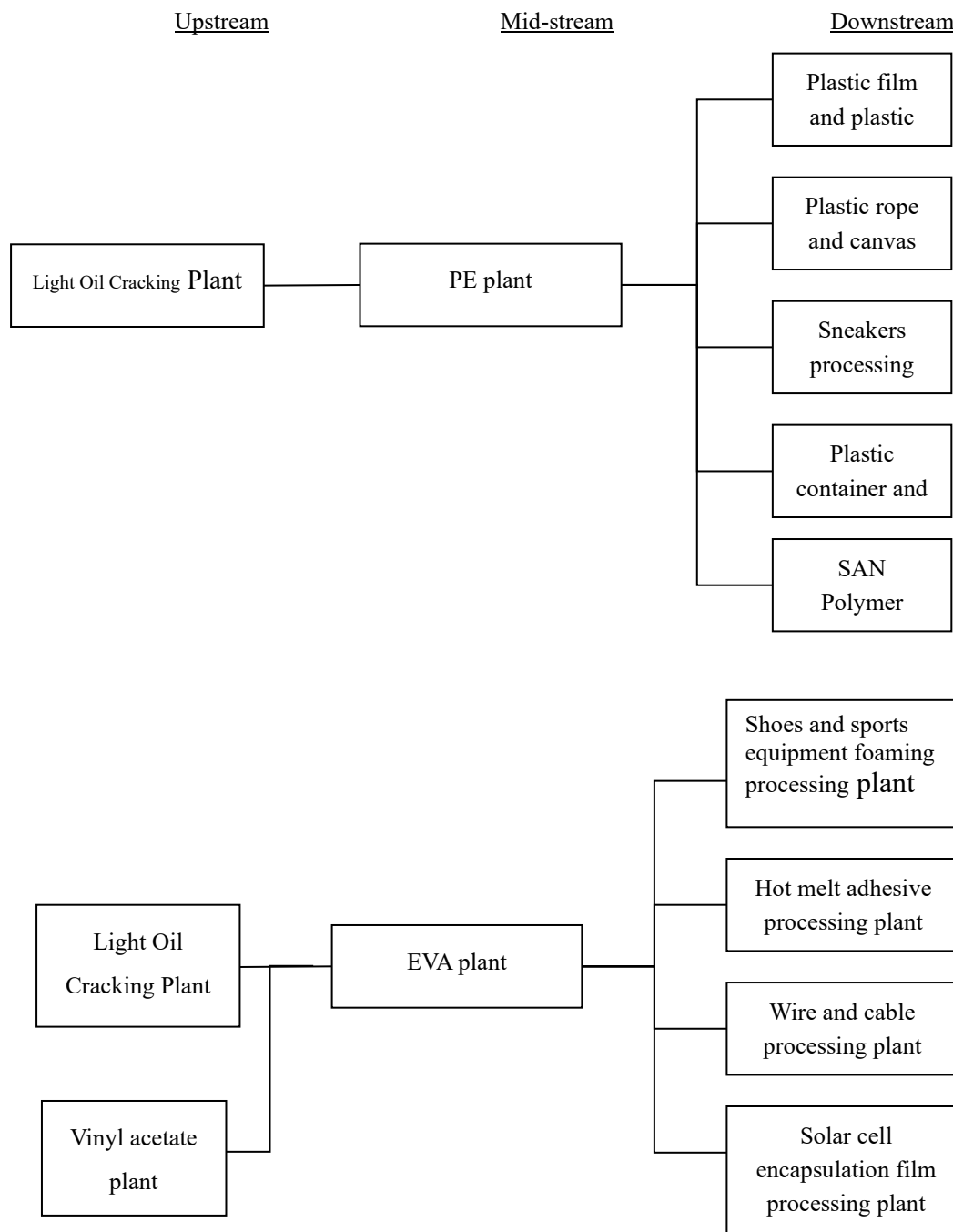
have gradually relocated inland along the Yangtze river basin. Demand in the North China and Northeast China regions, which has been affected by the severe overcapacity has led to the deterioration of the competitive environment in the regional market. Moreover, the increasingly stringent environmental protection policies in mainland have led to early closure or relocation of some EPS molding plants.

In respect to ferrite powder and iron cores, such materials are mainly applied in the production of coil inductors which is a type of inductive material of passive components. Inductors are mainly used for preventing electromagnetic interference, filtering noise in electric current and power conversion. In addition to the aforementioned functions, inductors can also be used along with resistors and capacitors to demonstrate filtering functions. For example, inductors can be used as upstream material for filters, chokes, ballasts, switch power supplies, various transformers (e.g. inverters, converters, inductors and telecoms), and can be further applied to common electronic products such as (wireless) chargers, cloud servers, desktop computers, notebook computers, liquid crystal displays, smartphones, automotive electronics and communication network devices. Because inductors can stabilize electric current, remove noise and suppress electromagnetic radiation, inductors are widely used in electronic digital and consumer products. In 2025, Taiwan's passive component industry benefited from the demand for AI servers and high-end automotive products, achieving an annual growth of approximately 2.64%.

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

In the field of environmental detection and pollution regulation business, innovative technologies connect with the United Nations Sustainable Development Goals (SDGs) 6 Clean Water and Sanitation and SDGs 15 Life on Land. They eliminate common remediation approaches such as water pumping, excavation, chemical acid cleaning, and physical heat treatment, and enhance environmental microbial technology. All improvement work is conducted under existing land, reducing excavation, effectively preventing land exposure and ecological damage. The approach uses degradative bacteria and introduces substrates for in-situ microbial growth, replacing chemical injections, and purifying pollution with a sustainable approach.

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





The Company itself mainly relies on CPC Corporation, Taiwan, for the supply of upstream ethylene raw materials. Any shortfalls are made up through imports. Vinyl acetate is primarily supplied by Dalian Company, with small amounts also imported. The Company itself was established over sixty years ago and is the first PE manufacturer in Taiwan. Throughout the years, the Company has consistently upheld a stable and practical service attitude, marching alongside downstream customers in areas such as technical exchanges, product quality, and market cooperation and development. Through close cooperation with upstream and downstream partners, the Company has not only established a good market reputation but also developed close cooperative partnership relationships with its upstream and downstream partners.

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

The primary raw material for GPS and EPS is styrene monomer (SM) while that for ABS includes SM, acrylonitrile (AN), and butadiene (BD). SM producers in Taiwan include Taiwan Styrene Monomer Corporation, Formosa Chemicals & Fibre Corporation, and Grand Pacific Petrochemical Corporation. They have a combined output of approximately 2 million tons (annual demand is approximately 1.85 million tons in Taiwan). SM is traded in large quantities in international trade, and the transportation conditions are more convenient. Therefore, it is relatively easy to obtain. In addition to making purchases from domestic sources, some of the SM required in Taiwan is purchased from foreign sources on a spot basis. The total annual production capacity of SM producers in Mainland China is currently about 22 million tons. There have been expansions and new plants since 2020, resulting in an oversupply, and therefore SM producers in Mainland China seek to export SMs. The main raw material SM of EPS in Zhongshan Plant of our company is mainly obtained from domestic SM Plants of mainland China, and we can also purchase SM from overseas when necessary. AN producers in Taiwan include China Petrochemical Development Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 0.5 million tons, sufficient for all domestic demand (annual demand is approximately 0.38 million tons in Taiwan). AN is toxic and its transportation is governed by numerous regulations and restrictions. It is therefore not favored for long-distance transportation. The AN required by the Company is mainly from domestic sources. BD producers in Taiwan include CPC Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 0.6 million tons, which equals the overall domestic demand of 0.6 million tons. However, companies sometimes import the product during annual maintenance shutdowns. The main users are the rubber industry and ABS plants. The Company can obtain sufficient BD from domestic sources. The upstream materials for ABS/PS/EPS are crude oil derivatives and prices usually fluctuate along with fluctuations in oil prices. Reference prices of raw materials for SM/AN/BD are available globally for buyers and sellers. Downstream customers are mainly small and medium enterprises with a generally low processing scale. The design of molds and craftsmanship also differ based on product design provided by final customers. ABS/GPS/EPS plants have to meet the downstream customers' needs and provide technical services and material recommendations upon request.

In respect to magnetic iron oxide powder and cores:

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

Siliconware powder:

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

3. Product development trends and competition

The Company's HDPE and LLDPE primarily focus on the domestic market. In Taiwan, only the Company and Formosa Plastics Corporation produce these products. Over the years, a natural market operation has formed separate supply and sales systems. However, due to relatively low import tariffs and the erosion of low-priced imports, a significant proportion of low-end application products in Taiwan have switched to imported materials. To avoid price competition in the generic market, the Company has gradually shifted its focus in recent years towards specialty materials markets with stricter quality requirements, such as filament, fiber, bottle caps, and sanitary materials. EVA products are primarily produced domestically by Taiwan Polyethylene, Asia Polymer, and Formosa Plastics Corporation. Due to the early relocation of downstream shoe manufacturers overseas, domestic demand for EVA is very low, so EVA products in Taiwan are mainly exported. The export regions focus on Mainland China, Southeast Asia, and South Asia. The main competitors, besides products shipped from the Middle East and certain parts of Europe and the Americas, include manufacturers in Japan, South Korea, Thailand, Singapore, Malaysia, India, Indonesia, and Mainland China. In recent years, China has actively expanded its petrochemical production capacity, significantly increasing its self-sufficiency in PE and EVA. Particularly for EVA, the supply-demand dynamics have gradually shifted since new production capacities came online in the first quarter of last year, with market conditions affected by domestic competitive pricing in China, which has in turn influenced market conditions in other parts of Asia. Additionally, ASEAN countries, China, India, and others have successively implemented differentiated tariff policies. Our main competitor, South Korea, has taken a significant lead in trade negotiations, greatly impacting the competitiveness of our petrochemical products. Therefore, the Company itself has in recent years continued to focus on differentiated market development to avoid price competition in generic specifications, while actively enhancing international marketing capabilities, targeting markets such as Russia, Pakistan, Vietnam, Cambodia, Myanmar, and Central and South America to mitigate the risks of over-concentration in specific markets.

In the current PVC industry in Taiwan, the annual production volume of VCM at the Company and Formosa Plastics Corporation is 485 thousand tons and 1.644 million tons respectively. The annual production capacity of PVC powder is 470,000 tons for the Company itself, 1.785 million tons for Formosa Plastics, and 150,000 tons for Tayohya. PVC processed products consist mainly of plastic sheets, PVC leather and construction products. In 2025, the



global economy was affected by geopolitical conflicts (such as the Russia-Ukraine war and Israel-Iran conflict), the U.S.-China trade war, reciprocal tariffs imposed by the U.S. on various countries, and skyrocketing energy prices in Europe. The petrochemical industry experienced downturns, and excess capacity of raw materials from Mainland China extended to both upstream and downstream industrial products, impacting the global trade dynamics with the dual blows of weak demand and low-cost competition. The petrochemical and plastic derivatives industries, in particular, faced widespread losses. As for Mainland China, its GDP growth is still hampered by the sluggish real estate market. In 2025, the PVC powder market suffered from low-priced dumping of excess capacity by the U.S. and China in overseas markets, leading to a supply and demand imbalance and weak market transactions. The Northeast Asian market declined from USD 740 per ton to USD 640 per ton by the end of the year. After a year of intense price competition, many manufacturers faced losses. In Quarter 4, European and American producers began to reorganize production capacity and reduce supply. In the first quarter of 2026, the Mainland Chinese government launched a new round of economic construction plans, which include an audit and elimination of high-cost, high-energy-consuming, and low-output enterprises, as well as the announcement of the cancellation of export tax rebate subsidies. This aims to rectify price disorders to enhance corporate profits. It is expected that in 2026, the PVC market will see healthier volume and price dynamics, reversing the predicament of supply and demand imbalance. In 2025, the Company itself focused on stable operations, continuously replacing energy-intensive equipment on the production side, leveraging AI to improve energy efficiency, strictly controlling costs, and reducing inventory risks. In consideration of reducing impairment, the strategy for domestic and foreign sales prioritizes high-priced specifications, with price and volume control. At the same time, the strategy seeks to expand new channels to diversify the market and strengthen customer relationship management to enhance market share.

ABS resin are widely used in automotive engineering, electronics, electrical appliances, equipment and building materials, due to the product's synthesized feature of resistance to impact, heat, low temperature, and chemical erosion, in addition to its modability and surface gloss. It is a type of polymer material between general-purpose plastic and engineering plastic. In China, downstream ABS consumption is primarily concentrated in the home appliance sector, which accounts for over 60%. Within this sector, the highest demand for ABS comes from air conditioners, vacuum cleaners, refrigerators, and washing machines. For ABS/PS products, the overall market was impacted by multiple uncertainties, including inflation in the global macroeconomic environment, geopolitical conflicts, and U.S. tariff policies. Overall demand was sluggish, further exacerbated by excess ABS capacity from Mainland China intensifying competition. However, stable demand in South Asian markets such as India and Pakistan helped offset market gaps. The operating rate in 2025 remained above 80%. However, in November, the impact of the withdrawal of India's BIS led to a decrease of approximately 5% in ABS sales volume compared to 2024. In the future, as new production capacity in Mainland China continues to increase, market competition will become more intense. GPS is widely used plastic whose market value mainly fluctuates with the price of its raw material, SM. Due to the advantage of vertical integration, Taiwan's largest GPS manufacturer, Formosa Chemicals & Fibre Corporation, has a lower GPS production cost than other manufacturers, and thus it can easily dominate the market. All other domestic manufacturers (including the Company) purchase SM to produce GPS, and the competitiveness is greatly affected by the price of SM. The Company is the only manufacturer in Asia who adopts NOVA manufacturing technology in the production of GPS. Featuring the character of low free monomer, the quality of the Company's product is competitive in the market and is mainly distributed in Taiwan, Southeast Asia, and Mainland China. GPS is mainly used in disposable tableware and food packaging, a market characterized by stable demand growth. Despite ongoing efforts to expand sales coverage in Southeast Asia, the Middle East, Africa, and Central America, the global economic slowdown led to weak demand, resulting in a slight sales decline of approximately 2% in 2025 compared to 2024. The Company continues to develop markets outside of Mainland China and Hong Kong to maintain full-capacity production

and safeguard profitability. Competition in the future market will continue to focus on the impact of the new GPS production capacity in China. The demand for EPS packaging in the domestic market has shrunk significantly due to the gradual relocation of large-scale processing factories. Meanwhile, Taiwan is located in the subtropical zone, and EPS is seldom used as a building material to keep the temperature in construction, therefore, so the four EPS manufacturers in Taiwan currently have about 90% of their EPS products exported. Despite the effective broadening of market reach for the Company's EPS plant in Cianjhen, an increase in low-priced EPS exports from Mainland China led to a decrease in sales volume of approximately 6% compared to 2024.

For ferrite powder and cores, due to rapid development of 3C products, downstream manufacturers continuously launch new products in response to changes in market demand. With increasingly enhanced functions of electronic products and the polarized development of large-sized transformers and micro-miniature inductors, it is necessary to design product characteristics such as materials, formulas, impedances, dimensions and appearances according to customers' requirements for product functions, materials and shapes, as well as follow the trend of developing complicated products with wide temperature range, high frequency, resistance to high current and micro-miniature size. The Company's products are mainly sold in Mainland China. Currently, the Company's principal competitors are the iron core manufacturers in Mainland China and Japan. Since there are many competitors in this industry, and the price competition is fierce, the Company has established a competitive advantage by enhancing the added value of its products, improving the manufacturing process to reduce production costs, and bettering the quality of its products in a comprehensive fashion for effective market differentiation. In addition, establish all-around support service capabilities in line with customers' product development needs, shape the Company's competitive advantage over other competitors, as well as jointly develop future products according to development trends in order to quickly grasp market developments and enhance competitiveness. In the silicon carbide (SiC) sector, automotive applications will dominate the SiC market, accounting for over 70% of the entire SiC device market. The main growth driver for silicon carbide is the automotive market, especially electric vehicles. Currently, the demand in the electric vehicle market is slowing down, and the Company is utilizing high quality and added value as market differentiation. And developing renewable energy products and products for AI server applications, along with aggressively investing in the market for high-purity silicon carbide sintered products, and developing products for diverse applications to enhance the Company's competitiveness.

In the field of environmental detection and pollution regulation business, the techniques for soil pollution remediation primarily include soil vapor extraction, soil tilling, excavation and removal, solidification, and dilution by turnover. Groundwater pollution remediation techniques mainly involve extraction and treatment, chemical oxidation, air injection, and bioremediation. Remediation work requires consideration of the characteristics and concentration of pollutants, remediation schedule, remediation cost, and remediation effectiveness. Additionally, adjustments to the remediation methods are needed to address environmental compatibility and public acceptance factors. Since the promulgation and implementation of Taiwan's Soil and Groundwater Pollution Remediation Act, it is estimated that there are now over a hundred remediation companies. Traditional pollution treatment techniques primarily focus on a single method, which can impact the environment and economy due to energy resource consumption during the remediation process. This initiative aims to integrate remediation methods for different improvement phases, pollution areas of varying degrees, and under different environmental conditions, and has gained recognition and trust from public sectors and stakeholders.

(III) Technology and Research and Development:

1. In 2025, the research and development expenses amounted to NT\$555,219 thousand.
2. Technologies and/or products successfully developed
 - (1) New specifications of ethylene vinyl acetate resin development



- (2) Specification Development of High mobility HDPE
 - (3) Development of the application of high-performance shoes made of foaming material
 - (4) Production technology for the large batch production of V18161 low crystal point coating-grade EVA product
 - (5) Production technologies for low crystallization point coating-grade high-speed laminating film EVA product V18251
 - (6) Development of hot-melt adhesive grade EVA products V08085, V19150, and V19400
 - (7) Development of High-VA, Low-MI EVA V3307
 - (8) The development of thermal insulation, heat preservation, and cooling coatings applications.
 - (9) Fabric applications of halogen-free fire-resistant coatings.
 - (10) GRS Global Recycling Standard Certification
 - (11) AI integration into #7 dryer process.
 - (12) ISO 14021 recycled material environmental protection pipe certification
 - (13) 30L PVC rejoining experiment
 - (14) AI monitoring of PVC powder moisture
 - (15) Study and analysis of PVC powder color differences.
 - (16) PVC/TPE paste cloth without solvent development
 - (17) PVC water-based adhesive electrical tape
 - (18) PVC Conductive Film
 - (19) Mechanical masking PP board
 - (20) transparent leather/fabric products
 - (21) Transformation of plasticizer in tape fabric for environmental protection.
 - (22) Low VOC series leather for PVC/TPE
 - (23) TPO Aprons Rubber
 - (24) TPO Single-Material (Slippers)
 - (25) TAIECO® recycled material ISO-14021 certified product applications and development
 - (26) TAIECOR recycling content ISO-14021 process/product certification
 - (27) Lightweight composite material Acrylonitrile-butadiene-styrene polymer (ABS)
 - (28) Development of Alternative Raw Material Formulas for EPS Polymers Under REACH Regulations Flame Retardant: EPS Low Peroxide (DCP)
 - (29) Develop high-value water-based material application GPS and acquire NSF certification in the United States.
 - (30) Development of composite iron core lamination technology
 - (31) Development of SiC precision block sintering powder and forming sintering technology
 - (32) Raw mould engraving technology for all sizes of surface development
 - (33) P65 material power chokes
- (IV) Long-term and short-term business development plans

1. Short-term business development plans:

Short-Term Business Plan: Considering the long-term supply shortage of ethylene under the CPC contract, the Company has established an ethylene storage tank at the Kaohsiung International Terminal, which will also be put into operation. This will not only improve ethylene scheduling flexibility but also facilitate future acquisition of low-cost ethylene sources, thereby reducing production costs. Additionally, the Company's new material, CBC (Cyclic Block

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

Rigorously manage VCM production and sales to stabilize high output and quality, actively seek stable raw material supply sources, and explore alliances and cooperative advantages with industry peers to reduce losses and enhance positioning during market downturns. The Company actively collaborates with key customers of PVC powder to establish mutually beneficial partnerships. In 2025, the domestic market share was 25.6%, an increase of 1.6% from 24% in 2024. In 2026, the Company will continue to deeply cultivate its main customer base and develop new customers to increase the sales volume and market share of PVC powder. The Company will flexibly utilize the diversified production and division of labor between the Tufen and Linyuan plants, targeting different markets and customer groups. It will also select customers with good credit, strengthen sales channels in the main market, and increase the proportion of direct manufacturers to balance the fluctuations of the market's peak and off-peak seasons, eliminating bottlenecks caused by excessive order concentration with traders and low-price competition from Mainland China. In 2025, the domestic demand for industrial chemicals was roughly flat compared to 2024. The price of Asian liquid caustic soda showed a downward trend in 2025 due to China's shrinking domestic demand and significant exports. In 2026, the Company itself will continue to strengthen its cooperation with major customers such as TSMC, and enhance sales channel relationships. The Company will improve production and sales efficiency, ensuring stable supply and enhancing service quality to customers, thereby increasing sales volume. Regarding liquid caustic soda, 45% of the sales face increased import quantities and price competition. The sales strategy focuses on continuously strengthening relationships with core customers to ensure a basic balance between production and sales, while expanding sales in nearby regions to strive for increased profits. The PVC plastic products part optimized the pipe product mix, maintained the stability and increased the market share of construction pipe, and actively participated in the supply of public works to increase profit by reflecting the raw material cost. Promote the application of environmental protection material products across multiple industries, enhance product added value and brand image, and pursue material innovation in line with ESG trends to increase sales and profits. On top of that, advertisements on media, the improvement of product website design through AI, and participation in various major exhibitions are made to enhance product awareness and expand business opportunities for the PVC leather / sheet products. Form strategic alliances with other industries to develop high-function and non-PVC products, strengthening the supply advantages for various types of leather. Expand the product range and promote it across different industries, enhancing product competitiveness. The formula of the FORBID stain-resistant product is upgraded to improve the cleaning effect. A water-based formula is developed to enhance the fog-like skin-friendly feel and create more market opportunities. The business of leather for agricultural equipment and seats in North America has been stable. Continuously develop new products to win annual orders from major North American trolley chair manufacturers. The Company will establish a modular product promotion strategy to expand direct customer sales performance. Beyond the OEM truck market, it will actively develop electric vehicle seats, public transport fire-resistant and smoke-suppressant leather, and interior leather, broadening the product application scope. The anti-mold and antibacterial formulation for plastic leather used in ships is upgraded to an antiviral level to meet REACH and market requirements. At the same time, the UV-resistant formulation of marine leather is upgraded for the European market to comply with EU and U.S. regulations. In line with the requirements of Prop#65 regulations in the North American market, the formulation and related labeling are improved, and



the market operation is expected to be more sound. Enhance the reduction and recycling of green products (complying with the Global Recycled Standard - GRS). Continuously improving environmentally friendly materials such as TPO and TPU, primarily promoting them for use in furniture, marine, automotive and motorcycle seats, car mats, exhaust ducts, lightweight anti-stain luggage, digital printing motorcycle seats, strollers, antiviral medical bed materials, and footwear, all targeting environmentally-conscious markets. Upgrade cooling rubber and introduce light-transmitting rubber and antiviral products, promoting them in markets for furniture, interior decoration, marine, automotive/motorcycle applications, door panels, and footwear. The Company will establish a B2C sales model to promote high-value-added new products. Material innovation and environmental protection concepts substantively respond to market demand in the context of environmental change. Develop new market channels for automotive adhesive fabric in India and Europe to enhance automotive adhesive fabric sales. The Company plans to participate in trade shows and continue to leverage e-commerce and online platforms to capture market opportunities.

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

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

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

In the environmental detection and pollution regulation business, in addition to soil and groundwater on-site remediation work, it also includes engineering and technical consulting, high-resolution site investigation work, underground environmental monitoring planning for storage tanks, microbial application development, molecular biological detection, and remediation agents (including the sale of biological agents, biological substrates, emulsified substrates, and

compounded potassium permanganate), aiming to provide more diverse services and keep abreast of emerging pollutant issues and the latest environmental protection technology information domestically and internationally.

2. Long-term business development plans

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

Despite the challenging petrochemical industry market, the oversupply of raw materials from Mainland China, and poor overall demand in the broader environment making a significant short-term recovery unlikely, the Company's VCM operations have begun structural improvements in safety, environmental protection, and process management. The Company continues to optimize energy utilization and improve management efficiency. Additionally, both raw material and finished product prices are relatively low this year. With steady production and sales controls, operational performance is expected to be better than in past years. With the PVC powder rejoining equipment renewal, the Company plans to launch several new special specifications to be applied in high-value industries and differentiated processing powders, which are expected to enhance efficiency and profitability and drive the incremental sales of general products. In the second quarter of 2026, the cancellation of PVC export tax rebates by Mainland China is beneficial for gaining a larger market share in South Asia, Southeast Asia, and the Middle East markets. Chemicals will maintain a strategy of full production and sales, fully utilizing existing production capacity, updating the hydrochloric acid furnace to eliminate bottlenecks, increase output, and stabilize product quality. At the same time, align with the electronics industry's journey towards net-zero carbon emissions and ESG requirements to gain the trust of customers and grow together. Long-term plans to provide electronic-grade hydrochloric acid will establish a solid foundation for future chemical production expansion. The Company will enhance research and development of processing technologies for PVC plastic products, and improve equipment and its environment to provide differentiated products, thereby segmenting the increasingly competitive traditional product market. The Company will improve the production capacity and raw material formula of PVC plastic product machines, develop high value-added products, and expand the production capacity of professional products to increase the market share. The PVC products will continuously be promoted in regions with high economic growth potential, such as the Middle East, South Asia, and South America. The promoted product portfolio includes SRT anti-pollution leather, cooling leather, light-transmitting leather, automotive leather, as well as stationery, furniture laminate decoration, sinks, adhesive tapes, and environmental protection materials. The Company will continue to develop popular embossed patterns and color combinations for PVC plastic products, while collaborating with industry partners to create new products, expanding its product portfolio and facilitating customer base development. In line with the updated environmental protection regulations, the Company will continue to adjust the formula and various supporting measures for PVC plastic products, and optimize the equipment in order to enhance the value of the products. The Company will continue to develop and promote environmentally friendly materials for PVC plastic products to the markets ranging from footwear, automotive, furniture, marine to flooring products. Further reduce the production costs of eco-friendly



materials and apply for patents and trademarks to protect intellectual property, thereby enhancing market competitiveness and product acceptance. The Company will continue to monitor geopolitical developments in the Middle East, Sino-U.S. political and economic relations, technological competition, and the progress of the Russia-Ukraine war. It anticipates a slow global economic recovery in 2026 and the escalation of trade protectionism, paying close attention to production and sales trends and trade flows stemming from the shifting of production bases downstream. The production process of PVC plastic products complies with government ESG governance and environmental friendliness, focusing on carbon reduction and recycling. The carbon footprint of export raw materials, key plastic sheets and PVC leather products, as well as domestic building materials and other PVC plastic products, will be assessed and promoted in various dimensions, including the application of PCR, to enhance brand competitiveness.

The Company will collect trends in industry material selection, particularly for ABS/PS, and develop suitable product materials. With the improvement of physical properties of its products, the Company will enhance its market share in the "high-quality, high-priced" market segment. The Company will increase its market share in overseas emerging markets. Promote the development of green products and environmental protection materials market, enhance sustainable investment, and align with international energy conservation and carbon reduction trends. Optimize processes and integrate AI smart manufacturing to improve efficiency and reduce costs.

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

In the field of environmental detection and pollution regulation business, given that a single remediation technology cannot satisfy site rehabilitation Position, efforts are focused on the integration of technologies into site remediation Strategy. This involves continually combining novel technologies such as physical, chemical, and biological approaches to develop a remediation train system, making the application of remediation technologies more environmentally friendly, especially biological restoration methods. By applying self-developed long-lasting bioavailable substrates and cultivating specific indigenous pollutant-degrading strains, these efforts aim to reduce carbon footprint and carbon emissions, creating a win-win situation for environmental protection and economic benefits.

II. Overview of Market and Production and Marketing:

(I) Market Analysis:

1. Sales regions and market share for major products

Domestic polyethylene (PE) plastic raw materials are used by USI Corporation, APC, and Formosa Plastics Corporation to manufacture low-density polyethylene (LDPE) and ethylene vinyl acetate (EVA). High-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE) are manufactured by both USI Corporation and Formosa Plastics Corporation as well. USI Corporation's PE / EVA sales account for 32% of the total domestic sales, where its PE / EVA exports account for 68%. APC's PE/EVA sales in the domestic market account for 28% of total, while 72% of the sales are originated from export. USI exports 26% of its orders to Hong Kong and Mainland China, while APC exports 57% of its orders to these regions. Among all the plastic materials exported overseas, ethylene vinyl acetate (EVA) is the most important item, followed by high-density polyethylene (HDPE), with the remainder being low-density polyethylene (LDPE) and linear low-density polyethylene (LLDPE). USI's low-density polyethylene (LDPE) accounts for about 2.2% of the domestic market, while the rest is supplied by APC and imports. Of the total sales volume of ethylene vinyl acetate (EVA) in the domestic market, sales by USI account for 46%, whereas 35% were sold by APC and Formosa Plastics Corporation, and the remaining 19% are from import. In view of high-density polyethylene (HDPE), 15% of domestic sales are from USI, and the Company's linear low-density polyethylene (LLDPE) accounts for 3% of the total market share. The rest is supplied by Formosa Plastics Corporation and import. Since the total domestic production volume has exceeded the demand, the Company strives to increase export sales in an attempt to absorb excess production and achieve the balance between production and sales.

For VCM, the ratio of domestic sales to export sales and self-use products is approximately 17:1:82. For PVC powder, the ratio of domestic sales to exports to personal use is 17 : 76 : 7. The main export regions include Bangladesh, India, Southeast Asia, South America, the Middle East, and Africa. Chemical products are sold mainly to Hsinchu Science Park, Central Taiwan Science Park and northern regions, accounting for 70% of total sales. The main client for these products are electronics and petrochemical industries. The Company's market share in the domestic market is approximately 3% for liquid caustic soda and approximately 16 to 18% for hydrochloric acid and liquid bleach. The PVC plastic product portfolio consists of: (1) building products: mainly sold domestically. Domestic market share: approximately 20% for PVC pipes and about 35% for PVC door panels. (2) Plastic sheets: The ratio of domestic sales to exports is 65:35 and the Company's market share in the domestic market is approximately 20%. These products are exported mainly to the Americas, Europe, Australia, South Africa, Russia, Japan and Southeast Asia. (3) PVC leather: The ratio of domestic sales to exports is 33:67, while its market share in the domestic market is approximately 40%. These products are exported mainly to North America, Europe, Australia, Mainland China and India.

ABS/PS is primarily exported, accounting for approximately 85% of sales, with export markets mainly in Southeast Asia, South Asia, Central and South America, North America, and Africa. The expansion of overseas markets and the increase in sales proportions will contribute to the goal of market diversification and risk mitigation. The percentage of sales in the domestic market is as follows: 9% for ABS / PS and 60% for glass wool products. In addition, EPS products produced in the Company's plants located in Mainland China are basically all sold within Mainland China.

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

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



Since the Company added two production lines for PE and EVA products in 2016, there has been no increase in domestic production capacity in recent years, and there are no plans for additional capacity expansion at the moment. In contrast, China has significantly increased its petrochemical production capacity in recent years, leading to a surplus of various plastic products, including PE and EVA. Taking EVA as an example, although the average demand growth rate for EVA in China from 2019 to 2023 exceeded 10%, starting from 2024, China's EVA production capacity significantly increased, and last year, its EVA self-sufficiency rate reached about 90%. Moreover, from the end of last year to this year, over 1 million tons of EVA have been planned for production in China. On the demand side, factors such as the relocation of the footwear industry and the slowdown in photovoltaic demand growth are expected to shift China from a net importer to a net exporter of EVA by 2025. Intense competition in the Chinese EVA market will likely be unavoidable in the future. To address the looming wave of EVA capacity expansion in Mainland China, the Company has been actively developing differentiated products while also expanding into emerging markets such as Southeast Asia, India, and Russia to meet this severe challenge.

From 2024 to 2025, the VCM market in Asia experienced a prolonged period of severe undervaluation of VCM prices due to weak PVC demand, leading to production cuts or extended maintenance to mitigate losses. In early 2026, as the PVC market stabilizes and the supply and inventory of VCM remain tight, VCM prices are able to rise. However, short-term purchasing remains cautious. In the medium to long term, the situation will depend on the PVC market. Once the oversupply of PVC is balanced, the market will stabilize as inventory is reduced, and VCM supply will tighten, leading to a wider price gap. The PVC market experienced an oversupply in 2025, deteriorating industrial conditions and causing losses for many manufacturers. This led to the permanent closure of some production lines in Europe and the United States, and the Mainland Chinese government eliminated outdated equipment and revised its tax rebate subsidy policy. In the first quarter of 2026, these actions significantly drove PVC powder market prices upward. Orders in major overseas markets such as India, Bangladesh, Southeast Asia, and Latin America are expected to gradually return to non-Chinese systems, with Northeast Asian manufacturers anticipated to see increased transaction volumes and improved margins. The domestic PVC powder market is strengthening alongside the International Markets, with demand expected to rebound. Mainland China's cancellation of export tax rebates make growth in the domestic processing industry promising. Demand from public works and Taiwan Power Company's strengthening of the power transmission and distribution network have stabilized the domestic industrial sector, with sales expected to grow by 3% to 5% compared to 2025. Large domestic chemical users, primarily in the semiconductor-based electronics industry such as TSMC, continue to expand production capacity, leading to continued demand growth, and are forecasted to maintain growth in 2026.

ABS: In 2025, ABS sales volume decreased due to uncertainties regarding U.S. tariffs, the withdrawal of India's BIS, excess capacity from Mainland China, and the impact of inflation, which led to a significant decline in demand for consumer electronics in Europe and the United States. In 2026, it is necessary to continue to pay attention to geopolitics and the impact of the U.S. Federal Reserve's decision on interest rate cuts on the market, and the competition in the market will become increasingly intense with the overflow of new ABS production capacity from Mainland China; the Company itself continues to develop the ratio of direct customers with higher profit margins, and develop non-Mainland and non-Hong Kong markets to achieve the strategic goal of maximizing production and sales to ensure the performance of the Company's operations. GPS: The global movement against plastic use continues to gain momentum. Additionally, Mainland China is expected to add 1.3 million tons of new PS production capacity in 2026, which warrants ongoing monitoring for potential market impacts. In response, the Company continues to actively explore markets outside Mainland China and Hong Kong, aiming to maintain full-capacity production and sales to ensure operational performance. EPS: In Mainland China, the EPS market remains in a state of oversupply. An estimated 200,000 tons of new capacity is expected to come online in 2026. Looking forward to 2026, the development of new markets/new

customers has been successful, with markets such as Africa, Central and South America, and the Middle East continuing to grow. The Company's strategy is to achieve full production and sales of EPS, and to improve operational performance. Mainland China EPS Market: There are four major EPS manufacturers in South China. In Quarter 4 of 2026, Jianlong Company launched an additional 200,000 tons of capacity in Guangxi, which will affect the market share in Guangxi and Yunnan. The Zhongshan plant of the Company has an advantage in the quality of fast materials (391) and special lightweight materials (381), and continues to optimize the quality to enhance the Company's competitiveness in the market of packaging and sheets for electrical appliances and fruits and vegetables; at the same time, enhance the concentration of production particles, increase the output ratio of products with effective specifications, reduce the generation of stagnant materials, and strengthen production efficiency. Glass Wool: The domestic market declined by 7% in 2025, with imports accounting for around 8% of the total market volume—Kuwait being the main source. However, demand is expected to decline by approximately 1% in 2026 compared to 2025. Additionally, exports to the Southeast Asian market have long been affected by Mainland China's competitive pricing. The primary focus for glass wool exports remains the higher-priced markets of New Zealand and Australia. In 2025, Australia's housing market was stimulated by a reduction in mortgage interest rates, coupled with stable ocean freight prices, leading to an 11% increase in export volume compared to 2024. To address the downturn in the construction industry and anticipated adverse factors such as rising electricity and gas prices, the main objective for both domestic and international sales in 2026 will be to improve profitability. The sales mix for 2026 is expected to consist of 59% domestic and 41% export sales.

Ferrite Powder and Iron Cores: In 2025, the ongoing Russia–Ukraine conflict, slowing demand in the European and American electric vehicle markets, and U.S. tariffs affected the segment. Global demand for consumer electronics such as smartphones and laptops slightly recovered, while rapid growth in server applications drove the demand for high-performance passive components in data centers, general-purpose servers, and AI servers. This development offset the decreased demand for electric vehicle models. In 2025, Taiwan's passive component market experienced approximately 2.64% annual growth.

Silicon Carbide Powder: From 2022 to 2028, the compound annual growth rate (CAGR) for silicon carbide powder is projected to reach 31%, with 70% of demand driven by electric vehicles (EVs). However, due to weaker-than-expected EV sales in 2025, the demand recovery fell short of projections. Future growth will depend on further development of new energy applications and the integration of silicon carbide in AI-related power systems.

3. Competitive Niches

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

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



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

The competitive niche of ABS/PS and glass wool products is (1) maintaining the business strategy of full production and full sales and continuously optimizing the customer mix to ensure the operating performance. At the same time, under the premise of full production and full sales, through "integrated supply chain management," we effectively control the reasonable inventory levels of raw materials and finished products to avoid market price fluctuations from impacting the Company's operating performance; (2) continuously strengthen our development capacity and effectively develop markets outside mainland China and Hong Kong; (3) continuous development of customized products; (4) fast and timely customer service and regular customer visit plans to strengthen after-sales service and enhance product added value; (5) deeply implement ESG concepts and actively fulfill corporate social responsibility; meanwhile, enhance the performance of corporate governance to achieve sustainable development goals.

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

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

Favorable factors affecting the Company's development prospects:

- (1) With regards to PE / EVA, the Company has established an excellent supply chain relationship with CPC Corporation, and has implemented flexible measures to obtain a stable supply of ethylene from various sources and maintain the stability of raw material supply.
- (2) In view of PE/EVA, the Company has established long-term cooperation relationship with downstream customers and developed such relationship into partnerships. Apart from the

stable mutual supplies and sales with these partners, the Company has engaged in technical cooperation with partners to jointly develop new products and product applications.

- (3) In view of EVA used in membrane-encapsulated solar cells, the Company has a leading edge in terms of quality and technology. In addition, the Company's customers play a vital role in the industry. Over the years, these customers have collaborated and grown with the Company, and thus deep and solid partnerships have been established.
- (4) In view of PE/EVA, the Company's efforts to actively expand its related business in a number of emerging markets have shown excellent results. The Company will continue to target effort at different regions and products in order to meet product needs from these market segments, and thereby expanding into emerging economy markets.
- (5) Gulei investment project has been mostly completed and put into production, will enhance the competitiveness of the Company in the future.
- (6) The Company has achieved vertical integration of VCM, PVC resin, and its downstream processed products.
- (7) It maintains firm control over the supply of key raw materials, including EDC and ethylene.
- (8) The Company effectively manages VCM inventory and production capacity to minimize manufacturing risks.
- (9) With Toufen and Linyuan two factories complementary production, PVC powder product features more diversified, adequate inventory and fast delivery elasticity.
- (10) The Company's relationship with PVC powder customers and the depth of its services.
- (11) The Company continues to break bottlenecks in PVC powder production and sales, thereby effectively reducing production costs.
- (12) PVC powder rejoining tanks and a number of other production equipment continuous renewal plan, energy-saving and carbon-reduction improvements, and AI projects are being progressively optimized. The expected benefits include increased production capacity, upgraded product quality, reduced energy consumption, and an increase in special powder varieties, which will leverage advantages to further enhance the Company's competitiveness.
- (13) The Company has long upheld superior product quality for its chemical products to meet customer processing needs.
- (14) Key chemical product clients continue to expand their production capacity, while overall market demand experiences steady growth.
- (15) The Company has its own brand for PVC plastic products, along with good quality control and after-sales services.
- (16) The Company has readily available professionals in the area of PVC plastic product technology.
- (17) The automotive leather for PVC plastic products has been certified by IATF16,949.
- (18) In view of PVC plastic products, the Company is engaging in the research and development of new products including high value-added and ecofriendly materials
- (19) For PVC plastic products, the Company continues to improve related equipment, manufacturing processes and product quality.
- (20) The Company has established sales offices and distribution channels overseas which can facilitate market expansion.
- (21) For PVC plastic products, exported plastic leather and plastic sheets, the Company has printed its corporate identification labels on the products in order to increase brand awareness, thereby effectively raising customers' willingness in purchase.
- (22) Continuous research and development of environmentally friendly materials for PVC plastic products enhances product segmentation and market promotion. In 2026, the



- Company will plan new product launches for the American markets, focusing on furniture and interior applications in ships and automobiles. It is expected to increase profit and performance in the American markets.
- (23) The surface treatment technology applied to PVC plastic product is expanded its use to plastic leather and plastic sheet; it is expected to increase sales volumes in the US market for the inner lining products for machinery and equipment.
 - (24) PVC plastic products are rapidly expanding, with cooling applications being introduced for outdoor seating cushions.
 - (25) The stable quality of ABS/PS products, integration of research and development capabilities, strengthening of customer service and implementation of management system will help customers to have confidence in our products.
 - (26) For GPS, the Company uses NOVA process technology, which has the advantages of heat resistance and low residual monomer quality.
 - (27) The development of new EPS product has catapulted the Company to a leading position in the domestic market. The Company is the first to develop fire-rate anti-static products, which has gained it considerable reputation in the international market.
 - (28) Mainland government continues to stimulate domestic demand, which is conducive to the space for domestic demand in the South China market (Vegetables, fruits and cold chain transport services, etc.) to grow. Since the demand for EPS is still growing, this is conducive to the operation of the Company's Zhongshan Plant.
 - (29) The new production capacity of the main raw material SM in mainland China continues to increase, which is conducive to the Company's bargaining power for raw material SM.
 - (30) The Company is a leading brand in the glass wool market, and the product quality is well recognized.
 - (31) The Company offers high level of services associated with the glass wool products so as to effectively eliminate product competition among other foreign goods.
 - (32) The Company has stable marketing channels for glass wool products, which is an advantage for market development and competition.
 - (33) Glass wool is used as filler in the calcium silicate board partition system. This application has been gradually accepted in the market.
 - (34) With annual increases in sales for the gypsum board partition system, the use of glass wool is expected to increase as well.
 - (35) The conversion of the non-combustibility test of CNS6532 to CNS14705 can facilitate the fiberglass ceilings panel products to pass the test.
 - (36) In addition to the successful renewal of BRANZ certification in New Zealand and Australia, the Company has also helped its New Zealand customers successfully obtain the Environmental Choice New Zealand (ECNZ) ecofriendly label, thereby facilitating bids for government projects.
 - (37) The market for fireproof glass wool for roofs and exterior walls has been negatively impacted by labor shortages and a decline in the number of new plant projects. In 2025, sales decreased by approximately 16% compared to 2024.
 - (38) Regulations related to floor impact sound will be implemented in January 2021. Newly developed product, i.e. the glass wool sound insulation system for Porter panels and wood floors has passed the test, thus facilitating new market development, continuously visit and promote contractors, engineering and construction companies.
 - (39) The newly developed six-sided coated products have increased product added value, with stable growth in the application market. In 2025, sales reached 366 tons, representing a 22% increase compared to 2024.

- (40) Electromagnetic radiation interference between electronic products has been attracting growing attention. Europe and the U.S. were the first to pay attention to the issue of electromagnetic radiation, and have established strict electromagnetic test standards. In the future, products must pass these electromagnetic radiation tests, which will help increase demand for products such as ferrite cores and inductors.
- (41) With the thriving development in the global automotive, information, network communication, and consumer electronics industries, the global market scale continues to expand, thereby increasing the demand for magnetic cores and inductors. Moreover, due to a wide range of applications for downstream products, the Company will be less affected by the condition of a single industry.

Unfavorable factors and corresponding countermeasures:

PE/EVA:

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

Countermeasures:

- (1) Apart from continuously seeking sources of low-priced ethylene, making investment in the Gulei petrochemical projects, improving and enhancing the stability and operating rate of production equipment, increasing production capacity and product quality to reduce production cost to win over the market, the Company is even more committed to offering reasonable product prices and providing services to customers. Besides, the Company also develops high value-added products in response to market trends, and expands export sales into emerging markets, such as Mainland China, to establish stable customer base for the long term and therefore increase operating profits.
- (2) In 2024, internal carbon pricing was introduced and established using a shadow price method, incorporating carbon costs into investment evaluations to enhance the execution opportunities of carbon reduction projects. Set up an energy management system and analyse the figures for room for improvement. Evaluate the addition of new rooftop solar panel systems.
- (3) The Company is actively investing in low-carbon technology transformation to mitigate the impact of electricity price hikes. Improvements in chilled water tanks and pipework insulation help to minimize cooling escape and reduce power consumption. The ethylene purification system improves the effective removal of carbon dioxide from the system and reduces the inefficiency of the compressor to reduce power consumption. Replacement of



equipment (refrigeration unit renewal), adjustment of operation mode, and power failure are available.

VCM:

- (1) With domestic environmental protection policies getting more and more stringent and proposals for energy saving and carbon reduction being accelerated in implementation, coupled with the revision of the Labor Standards Act, the auxiliary measures and grace periods for businesses in the related issues turned out to be not as good as expected, and this will impose limitation on the Company's business transformation and development.
- (2) Domestic energy prices continue to rise without any decline, and the overall increase has become unacceptable for petrochemical plants, causing significant pressure on production.
- (3) The unpredictable international situation and the frequent impact of extreme weather conditions on production have led to dramatic fluctuations in raw material transportation, prices, and supply. The intensive addition of new production capacity has increased downstream supply, resulting in an imbalance between supply and demand.

Countermeasures:

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

PVC powder:

- (1) The global economic recovery outlook remains uncertain, with continued excess PVC powder production capacity and inventory de-stocking pressure in the United States and Mainland China. The global PVC market's supply and demand balance will be difficult to achieve in the Short term, and prudent responses are still necessary.
- (2) Without signing FTA with major consumers of PVC powder, while China, Japan, South Korea and Southeast Asian manufacturers enjoy preferential tariffs, sales market for Taiwan is compressed.

Countermeasures:

- (1) Actively acquire the market of commercial materials for PVC powder downstream manufacturers in Southeast Asia, India, Bangladesh, and Brazil and establish stable cooperative relationships with them.
- (2) Actively establish strong customer base in both India and Bangladesh through agents and traders as demand for PVC in both countries is rapidly increasing, with the purpose of expanding sources of sales orders.
- (3) Actively apply for certification, in order to meet the requirements of PVC powder raw materials or processed products and expand business opportunities; Projects completed or under application include ISO 14001 Environmental Management system, SGS 2021 Greenhouse Gas Inspection Statement, carbon footprint certification, etc.
- (4) Seek long-term support from PVC powder key customers in every region

- (5) Enhance PVC powder product quality and develop products with unique specifications and market differentiation.
- (6) Streamline organization, improve operational efficiency and enhance customer service.

Alkali-chlorine:

- (1) Low-priced domestic secondary hydrochloric acid continues to impact the market volume and price of hydrochloric acid.
- (2) Domestic sales of alkali face competition from those imported from Mainland China, thus squeezing profit margins for this product.

Countermeasures:

- (1) Segment sales markets to establish stable sales and distribution channels.
- (2) Continuously increase production quality and efficiency, and optimize production and sales planning.

PVC plastic products:

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

Countermeasures:

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



- (9) Establish strategic alliances with domestic and overseas industry brands and develop new materials.
- (10) Engage in horizontal promotion of unique products in each individual region to each major market through exchange of product information.

ABS/PS products:

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

Countermeasures:

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

Glass wool products:

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

Countermeasures:

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

In regard to ferrite magnetic powder and iron cores:

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

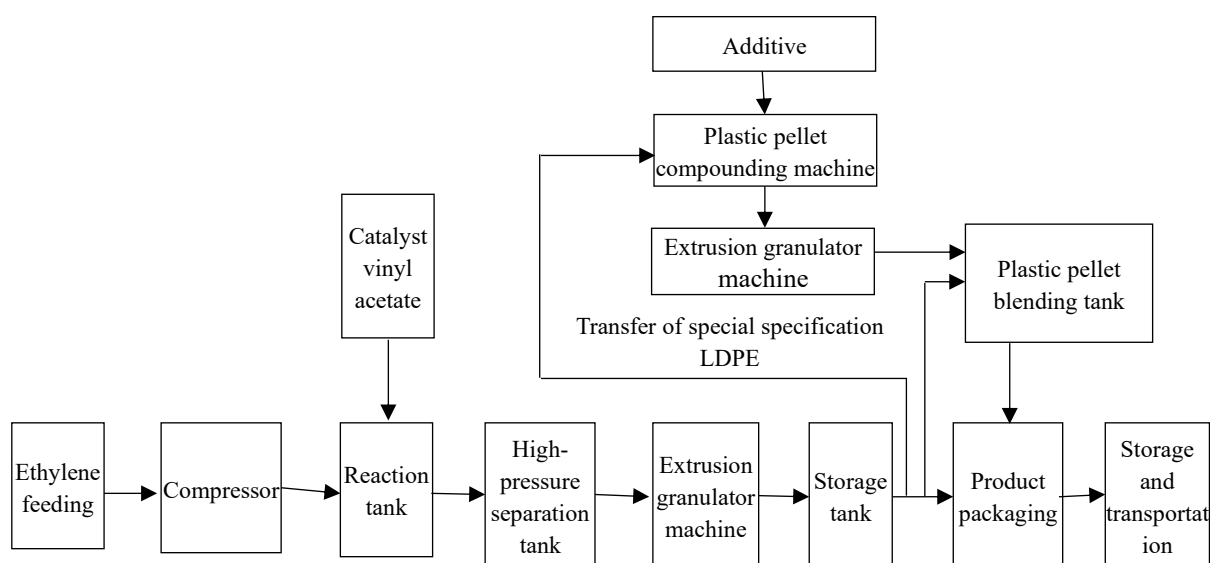
Countermeasures:

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

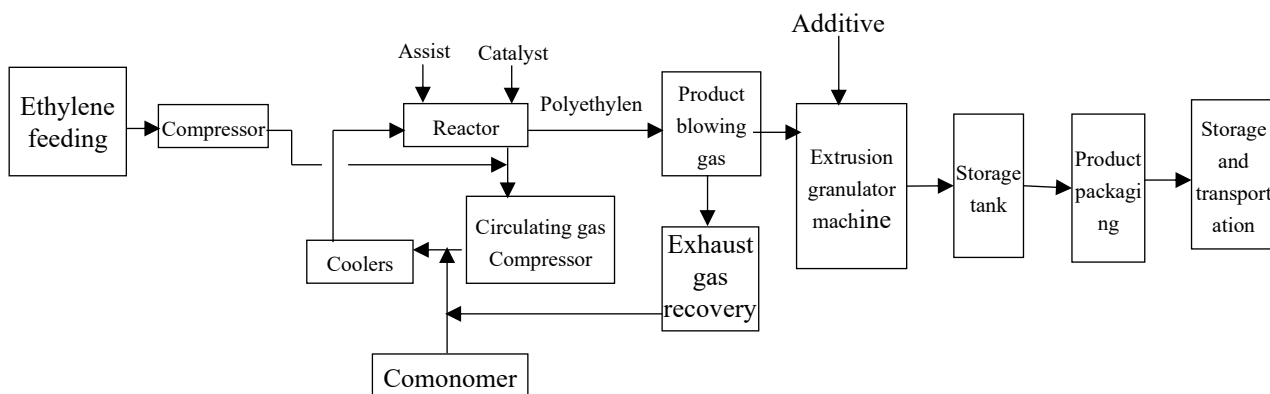
according to development trends in order to quickly grasp market dynamics and enhance competitiveness.

(II) Important Uses and Production Processes of Main Products

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



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

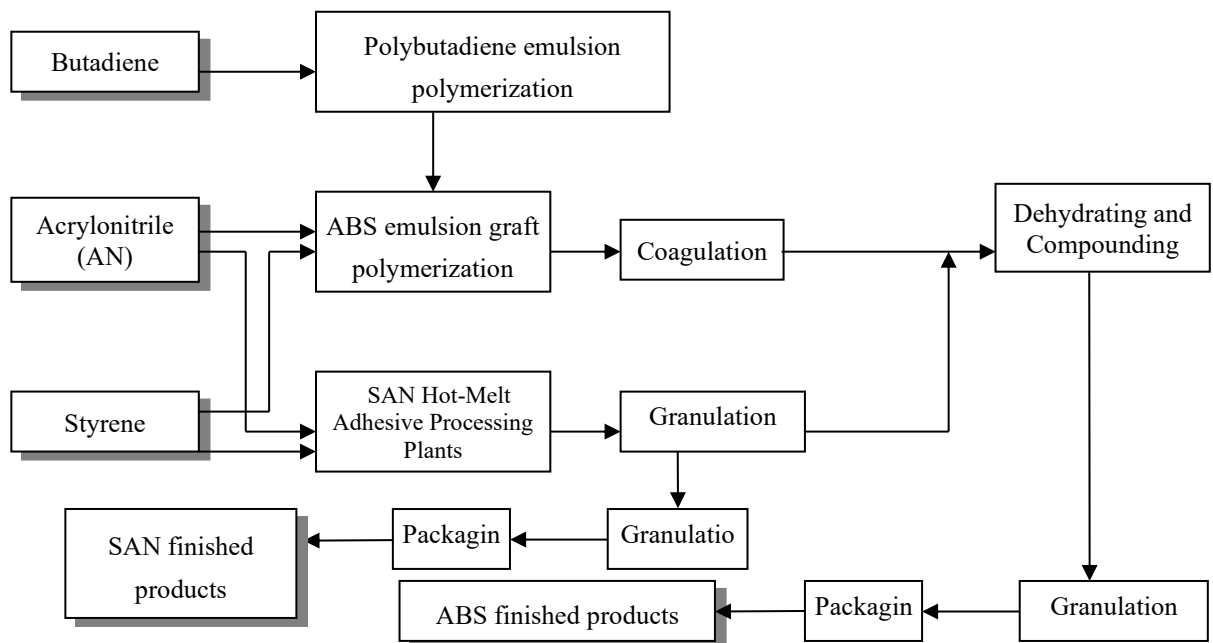


VCM is mainly used in the production of PVC powder, where EDC is used as a raw material. After cracking, VCM and hydrochloric acid gas are produced. Through the oxychlorination reaction on ethylene, oxygen and hydrochloric acid gas, EDC is then produced (back to cracking process). The main use of PVC powder is for producing soft plastic sheets, plastic leather, rigid pipes, and profile extruded building materials. These products are made from VCM, initiators, and dispersants through polymerization and drying processes. Chemicals are mainly used in water treatment and the production of food MSG, synthetic fibers, detergents, dyes, pulp, steel, etc. and the materials consist of industrial salt, other indirect materials, and water which are refined into pure brine and then electrolyzed into liquid caustic soda, hydrogen, and chlorine using ion-exchange membranes. Chlorine gas is then reacted with hydrogen and liquid caustic soda to synthesize hydrochloric acid and bleaching liquid. PVC building materials and products (PVC pipes, foamed PVC pipes, glass-reinforced plastics door panels, foamed door panels, and anti-corrosion lining) mainly for buildings (water pipes, drainage pipes for rain/domestic sewage, electrical protection sleeves, room door, toilet door, and partitions) and public construction projects (water supply and drainage works, electrical protection sleeves, and wastewater sewage). The materials include PVC powder and stabilizing agents which undergo procedures including mixing, gelatinization, extrusion, cooling, and cutting. Soft plastic sheets (plastic sheet cloth, semi-rigid cloth, stationery cloth, waterproof film, swimming pool cloth, mesh cloth, cloth for gas blowing, bonding cloth, furniture cloth, advertising cloth, raincoat cloth, table towel cloth, shower curtain cloth, and curtain cloth) are made of PVC powder, plasticizer, and other auxiliary materials through the process of cold and hot mixing, gelation, filtration, calendaring, cooling, and coiling. These sheets/cloth can also be printed and laminated to increase their added value. Soft leather and non-foaming leather are mainly used to produce sofa skin for cars, motorcycles, bicycles and marine vehicles, SPA cover, shoe leather, baseball gloves, sports equipment, and medical chairs. etc. Plastic leather is made of (1) plastic powder, plasticizers and other auxiliary materials, and (2) Non-PVC environmental protection materials is put through various processes in production, including mixing, gelatinizing, filtering, and being stretched by tape machine, laminating to base fabric, and finally being foamed and embossed in the foaming furnace or embossing machine. Moreover, special treatments such as printing, stain-resistant or water-based scratch-resistant treatment can be performed to increase added value.

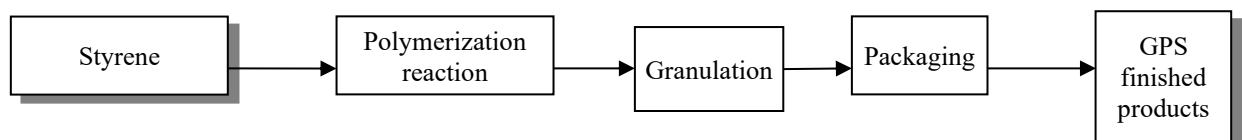
ABS resins are mainly used for producing information equipment, OA equipment, home appliances and electronic parts and appliances, 3C accessories, bathroom ware, toys, automotive and scooter components, heels, suitcases, daily necessity items, telephones, stationery, sports equipment, battery case and safety helmet, and tool machine. SAN resins are mainly used to produce juice blender casing, powder boxes, coffee machine water tank, transparent decorations, air-conditioning fan, blades, stationary, and tableware. Important applications of the general-purpose polystyrene include lighting, stationery, household appliance, daily accessories, diffusion boards, insulation boards, disposable tableware, food and pharmaceutical packaging materials.

Expanded polystyrene is applied to building material insulation boards, packaging materials, antistatic packaging materials, vegetable and vegetable boxes, fishing boxes, insulation materials, boards, construction thermal insulation walls, and helmet cushion. Glass wool is mainly applied to cooling materials for air-conditioning ducts, metal roofs, heat-insulating materials for walls, dry partitions filled with sound-absorbing insulation materials, ceilings for interior decoration, wall panels, heat-insulating materials used in machinery and equipment installed in the petrochemical industry, heat-insulating and sound-absorbing materials for home appliances, vehicles, heat- and sound-insulating materials for ships and heat-insulating materials for curtain walls. Cubic printing is used mainly in special printing techniques for plastics, metals, wood, plaster, glass and ceramics. In view of the long-term and continuous contraction of the curved surface printing market, after discussion, we decided to temporarily stop the production and business of the curved surface printing department from April 2021. Impact-resistant polystyrene is mainly applied to digital equipment, home appliances, toys, everyday accessories, stationery, electronic components and disposable cups. The production processes for major products are demonstrated as follows:

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

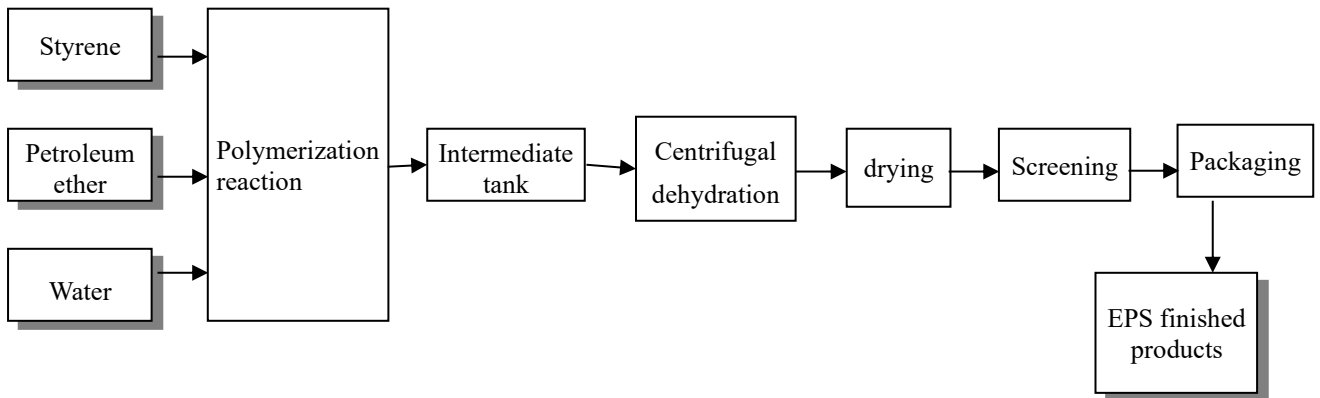


2. Polystyrene (GPS) resin production process

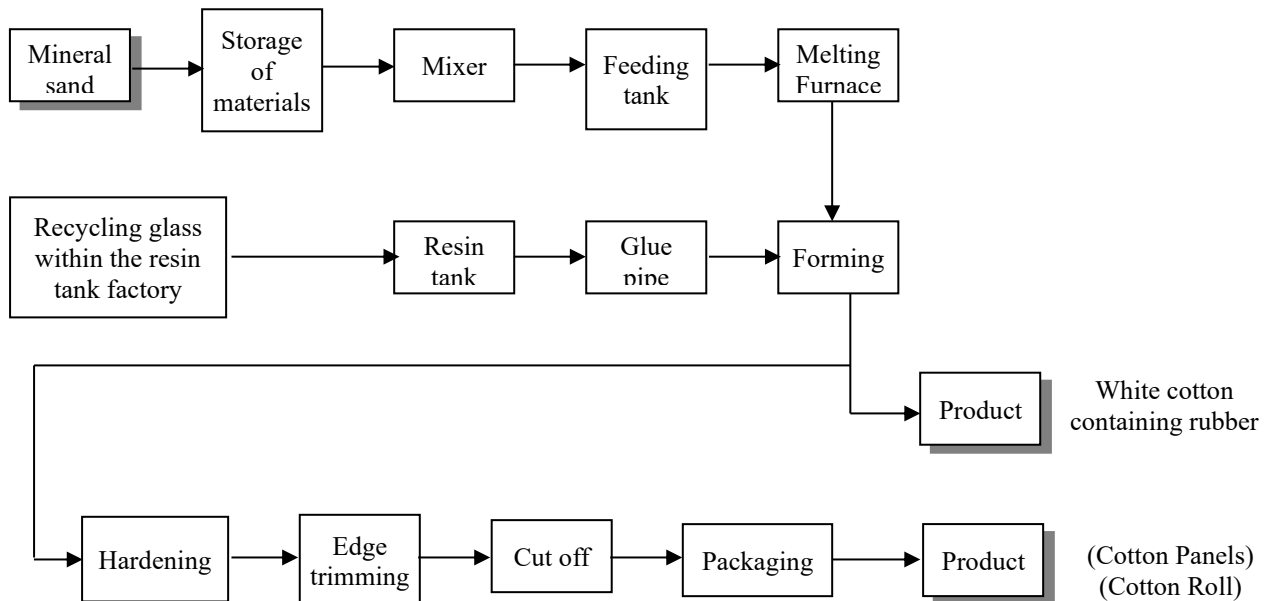




3. Expanded Polystyrene (EPS) resin production process



4. Glass wool product production process



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

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

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

(III) Supply of major raw materials

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

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

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

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

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

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

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

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

Unit: In Thousands of New Taiwan Dollars

Item	2025 (audited and verified)				2024 (audited and verified)			
	Name	Amount	Percentage of Net Purchase for the Current Year(%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Current Year(%)	Relationship with the Issuer
1	CPC Corporation	7,680,237	24	None.	CPC Corporation	7,793,707	20	None.
2	Others	23,882,278	76	Note 3	Others	30,655,123	80	Note 3
	Net purchases of goods	31,562,515	100		Net purchases of goods	38,448,830	100	

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

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

Note 3: No suppliers account for more than ten percent of the total purchases of goods. In the years 2025 and 2024, the Company made purchases from its related party, Fujian Gulei Petrochemical, amounting to NT\$99,785 thousand and NT\$1,139,419 thousand, respectively, accounting for 0.32% and 2.96% of total purchases.

Reason for the change in purchase amount: The decrease in purchase amount was due to the reduction in purchase price and volume.

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

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

Year		2025	2024	Current fiscal year up to March 31, 2026
Number of employees	Staff	1,856	1,911	2,034
	Direct Labor	3,007	2,998	2,852
	Total	4,863	4,909	4,886
Average Age		41.61	41.54	41.42
Average Year of Service		11.15	11.30	10.80
Distribution of Academic Qualifications	Doctor	0.56%	1.36%	0.51%
	Master	10.01%	12.14%	9.99%
	University/College	38.99%	35.75%	38.70%
	Senior High School	25.33%	25.42%	25.17%
	Below high school	25.11%	25.33%	25.63%

IV. Disbursements for Environmental Protection:

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

Unit: NTD

Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
2025/04/21 Kaohsiung Environmental Protection Bureau No. 1143374200	Paragraph 1, Article 20 of the Air Pollution Control Act	135	The odor detection of the boiler emission pipeline at the USI Renwu Plant did not meet the emission standards, violating Article 20, Paragraph 1 of the Air Pollution Control Act and Article 2 of the Fixed Pollution Source Air Pollutant Emission Standards.	Review the source of the odor and either raise the furnace temperature or stop introducing the odor source.
2025/07/16 Kaohsiung Environmental Protection Bureau No. 11435881300	Paragraph 1, Article 22 of the Air Pollution Control Act	400	The USI Renwu Plant did not install "volatile organic compound" monitoring facilities on the on-site waste gas flare tower (A250), violating Paragraph 1, Article 22 of the Air Pollution Control Act.	Install a continuous monitoring system for flare composition/heat value and continue to track it subsequently.
2025/07/16 Kaohsiung Environmental Protection Bureau No. 11435881300	Paragraph 2, Article 23 of the Air Pollution Control Act	220	The waste gas flare tower (A250) at the USI Renwu Plant was used in a manner not consistent with the approved content of the waste gas flare tower usage plan. This does not comply with Articles 4 and 7 of the "Volatile Organic Compounds Air Pollution Control and Emission Standards," thereby violating Paragraph 2, Article 23 of the Air Pollution Prevention Law.	1. Most of the process exhaust gas during startup/shutdown and equipment maintenance is directed to the TO furnace for treatment. 2. Check whether the valves connected to the flare inside the plant are functioning properly. 3. Conduct a comprehensive inspection to ensure that, apart from the necessary nitrogen purge, there is no abnormal exhaust gas introduction.
2025/07/16 Kaohsiung Environmental Protection Bureau No. 11435881300	Paragraph 2, Article 24 of the Air Pollution Control Act	160	The USI Renwu Plant added new equipment to the M01 process without operating according to the approved content of the fixed pollution source operating permit, violating Paragraph 2, Article 24 of the Air Pollution Control Act.	Submitted the modification data, completed the test run inspection, and paid the certificate fee, subsequently tracking the progress of certificate issuance.



Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
2025/10/01 Kaohsiung Environmental Protection Bureau No. 11439693000	Paragraph 1, Article 20 of the Air Pollution Control Act	483	The Environmental Protection Bureau conducted equipment component inspections at the USI Renwu Plant, and a total of 3 components had net detection values exceeding the "Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards," violating Paragraph 1, Article 20 of the Air Pollution Control Act.	1. Strengthen VOC leakage measurement after valve stem and valve switch. 2. Enhance component leakage education and training, and conduct inspections for each shift.
2026/01/13 Kaohsiung Environmental Protection Bureau No. 11530045500	Paragraph 1, Article 20 of the Air Pollution Control Act	370	The Environmental Protection Bureau conducted equipment component inspections at the USI Renwu Plant, and a total of 2 components had net detection values exceeding the "Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards," violating Paragraph 1, Article 20 of the Air Pollution Control Act.	1. The leakage points are included as frequently leaking components for weekly spot checks. When a leak is detected, sealing is performed to prevent VOC leakage, and planned maintenance is arranged. 2. Utilize a handheld PID to detect VOC at the breather valve weekly and record the findings. When a leak is detected, issue a repair order for the diaphragm and update if necessary.
2025/03/25 Kaohsiung Environmental Protection Bureau Division No. 20-114-030019	Paragraph 2, Article 23 of the Air Pollution Prevention Law	150	At the APC Linyuan Plant. It was found that from June 1 to June 7, 2024, the waste gas flare tower was used, but the operation did not comply with Article 5 of the "Volatile Organic Compounds Air Pollution Control and Emission Standards," which stipulates that the weight ratio of steam to waste gas should be between 15% and 50%.	1. Strengthen personnel training. 2. Reduce blowing pressure.
2025/04/17 Kaohsiung Environmental Protection Bureau Division No. 20-114-040019	Paragraph 1, Article 20 of Air Pollution Prevention and Control Act	150	On September 19, 2024, the Environmental Protection Bureau conducted a VOC leakage concentration inspection of equipment components in the fixed pollution source Low-Density Polyethylene Chemical Manufacturing Process (M03) at the APC Linyuan Plant. The results showed a total of 1 point, with the leakage concentration exceeding the "Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards".	1. Strengthen on-site personnel equipment component inspections. 2. The Environmental Protection Section conducts monthly sampling of equipment components.
2025/09/10 Kaohsiung Environmental Protection Bureau Division No. 20-114-090013	Paragraph 1, Article 20 of Air Pollution Prevention and Control Act	336	On February 26, 2025, the Environmental Protection Bureau conducted a VOC leakage concentration inspection of equipment components in the fixed pollution source Low-Density Polyethylene Chemical Manufacturing Process (M02) at the APC Linyuan Plant. The results showed a total of 2 points, with the leakage concentration exceeding the 2,000 ppm stipulated by the "Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards".	1. Strengthen on-site personnel equipment component inspections. 2. The Environmental Protection Section conducts monthly sampling of equipment components.
2025/09/23 Kaohsiung Environmental Protection Bureau Division No. 20-114-090019	Subparagraph 1, Paragraph 1, Article 32 of the Air Pollution Control Act	116	On July 8, 2025, the Southern Environmental Management Center of the Ministry of Environment conducted a VOC leakage concentration inspection of equipment components in the fixed pollution source Low-Density Polyethylene Chemical Manufacturing Process (M03) at the APC Linyuan Plant. The result showed that 1 component (background value 1.3 ppm, detection value 4,533.3 ppm, net detection value: 4,532) exceeded the 2,000 ppm stipulated by the "Kaohsiung City Equipment Component Volatile Organic Compounds	1. Strengthen on-site personnel equipment component inspections. 2. The Environmental Protection Section conducts monthly sampling of equipment components.

Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
			Control and Emission Standards," violating Paragraph 1, Article 20 of the Air Pollution Control Act.	
2026/03/30 Kaohsiung Environmental Protection Bureau Division No. 20-115-030055	Paragraph 1, Article 20 of the Air Pollution Prevention Law	246	On January 30, 2026, the Environmental Protection Bureau conducted a VOC leakage concentration inspection of equipment components in the fixed pollution source Low-Density Polyethylene Chemical Manufacturing Process (M02) at the APC Linyuan Plant. The results showed a total of 4 points, with the leakage concentration exceeding the 2,000 ppm stipulated by the "Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards".	1.Strengthen on-site personnel equipment component inspections. 2.The Environmental Protection Section conducts monthly sampling of equipment components.
115/01/08 Kaohsiung Environmental Protection Bureau No. 11443288800	Paragraph 1, Article 23 of the Air Pollution Prevention Law	220	On May 23, 2025, personnel from the Bureau conducted an inspection of the blower drain outlet (MF-6901B) in the aforementioned process at the TVCM Linyuan Plant. The flame ionization detector measured the concentration of volatile organic compounds leaking from the drain outlet at 14,408 ppm. It is evident that the waste from the blower drain outlet was not effectively collected, thereby not complying with Article 13, Paragraph 1 of the "Volatile Organic Compounds Air Pollution Control and Emission Standards," and constituting a violation of Paragraph 1, Article 23 of the Air Pollution Prevention Law.	1.Covered air extraction systems for the primary treatment unit and aeration tank of the wastewater plant. [Regular Tracking] TVA-2020 weekly sampling of VOCs concentration. 2.The improvement of the stripping tower (C-6251) equipment involved switching to a standalone steam supply, stabilizing the stripping temperature and steam flow rate to effectively control the bottom temperature of the tower, and reducing the COD of the raw wastewater. [Regular Tracking] QC Section regularly tests COD. 3.The drainage hole of MF-6901B has been modified to be tightly sealed and connected to the tail gas condensate recovery system. The engineering unit is evaluating the applicability of dual-seal blowers. [Regular Tracking] TVA-2020 weekly sampling of VOCs concentration.
2025/3/11 Kaohsiung Environmental Protection Bureau Division No. 20-114-060013	Paragraph 1, Article 20 of the Air Pollution Prevention Law	162.8	On 3/11/2025, the Kaohsiung City Environmental Protection Bureau dispatched personnel to conduct an inspection of equipment components at the Delta Chemical Linyuan Plant. The inspection found that one component had a VOC leakage concentration exceeding the Kaohsiung City standard of 2,000 ppm, violating Paragraph 1, Article 20 of the Air Pollution Control Act.	One leaking component in the R1 Reaction Tank (AC-201) in Zone 200 has been rectified. Remark: The VOC levels at the opening beneath the R1 Reaction Tank (AC-201) exceeded the standard. Immediate corrective action was completed on March 12, 2025, and a testing company was commissioned for a follow-up inspection that confirmed compliance with standards. The results of the re-inspection were submitted to the Environmental Protection Bureau to complete the rectification. Additionally, maintenance operation standards were revised. In cases involving repair, dismantling, or maintenance work, blind flanges must be immediately installed after disassembly, and self-testing must be conducted to ensure compliance with VOC control standards.



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

1. Environmental Protection Policies:

- (1) Comply with relevant environmental protection and occupational safety and health regulations, as well as relevant requirements derived from such regulations.
- (2) Sustainable energy saving, regeneration and industrial waste reduction.
- (3) Prevent pollution, reduce potential risks in operations.
- (4) Continue to provide employees with education and training, implement measures related to environmental protection and occupational safety and health.
- (5) Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health.
- (6) Thoroughly implement the environmental management system to enhance environmental performance and reduce environmental risks in the community.
- (7) Promote the Process Safety Management (PSM) system to achieve process safety operation and ensure personnel safety through pre-incident prevention, effects mitigation, and abnormal improvement.
- (8) Implement the ISO 14064-1 management system to identify and collect data on all potential sources of greenhouse gas emissions within the organization.

2. Adjust the operation of the exhaust gas combustion tower.

- (1) Set the steam-to-waste gas weight ratio between 15% and 50% through control room system settings.
- (2) Strengthen the control of operating procedures during process start-up; reduce nitrogen or steam purging pressure in pipelines to prevent pressure buildup in the system, thereby avoiding unintentional activation of pressure relief valves.

3. Reinforce the inspections for equipment.

- (1) On-site personnel are to conduct weekly inspections within designated responsibility areas.
- (2) Perform irregular infrared scans.
- (3) The Environmental Protection Section conducts monthly supervision and random sampling of equipment components.
- (4) A certified testing company approved by the Ministry of Environment is commissioned quarterly to conduct plant-wide inspections.
- (5) Replace high-leakage-risk valves with low-leakage types.

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

Unit: In Thousands of New Taiwan Dollars

	Pollution Prevention Equipment Installed or Expenditure Content	Amount
1.	Addition of gas detector system in Renwu Plant No. 1 (Phase III)	1,800
2.	Safety improvement of material storage racks in Renwu Plant	932
3.	Utility pipeline, steel structure support, and pipe rack reinforcement project for the new Compound factory building in Renwu Plant.	3,408
4.	Update operation of the gas monitoring system in Renwu Plant Manufacturing Section 2	7,870
5.	Installation of Integrated Mixed Direct-Fired Boiler Equipment at Linyuan Plant	81,709
6.	Addition of Reactor Emergency Vent System for Line 1 at Linyuan Plant	46,516
7.	CUI Inspection and Thermal Insulation/Cryogenic Insulation Works at Linyuan Plant	947
8.	Expansion of Temporary Waste Storage Area at Linyuan Plant	513
9.	Energy-saving Project: Addition of C-3504 Transfer Compressor for Line 4 at Linyuan Plant	3,885
10.	Replacement of ice water units (M6301-4) at public area in Linyuan Plant	6,280

Pollution Prevention Equipment Installed or Expenditure Content		Amount
11.	Addition of pressure transmitters to D1307-1/2 settling tank, D1308-1/2 RBD tank in Area 13, and control valve (PV-2101-1/A) for 21st area RBD reflux pipeline, with monitoring in the control room in Linyuan Plant	1,340
12.	Addition of FIT connection and DCS monitoring of AN feed pipeline in 22nd area (ABSL process area) in Linyuan Plant to improve reliability of FQIC-2205/A/C	840
13.	Addition of FIT connection monitoring for three-line RBD feed pipeline in 21st area (PBDL process area) in Linyuan Plant to improve reliability of FQIC-2103/A/C	1,240
14.	Modification and failure handling of sludge dryer heating system at 82B area (wastewater treatment area) in Linyuan Plant	2,690
15.	Maintenance and repair of incinerator in Linyuan Plant	1,100
16.	Replacement of control valves at 24th/25th area (SUKA SAN process area) in Linyuan Plant	1,530
17.	Addition of an online spare unit for the new RTO (Regenerative Thermal Oxidizer) combustion air blower (B8172-3) in Linyuan Plant	590
18.	Spare unit for incinerator induced draft fan in Linyuan Plant	600
19.	Replacement of rusty combustion machine in old RTO, addition of high-pressure alarm and interlock system at outlet of NG mother fire pipeline (HV8173B), and installation of a differential pressure gauge at the explosion-proof box in Linyuan Plant	930
20.	Partial replacement of corroded main pipeline for recovery condensate water in the process at Cianjhen Plant. (Complete)	831
21.	Purchase of EK660AB mechanical shaft seal spare parts for NOVA chiller in Cianjhen Plant. (Complete)	565
22.	Replacement of the chain in the dust collection device of the tube chain conveyor at Cianjhen Plant. (Complete)	716
23.	Purchase of spare parts for maintenance of heat transfer oil pump in GPS process in Cianjhen Plant to prevent equipment failure due to aging, which affects the process and causes environmental pollution. (Complete)	2,266
24.	Procurement of spare parts for the two-in-one centrifugal dryer filter mesh in Cianjhen Plant. (Complete)	1,188
25.	Replacement of reduction gear in EPS reaction tank at Cianjhen Plant. In Progress	1,067
26.	Modification of the SM discharge joint to a dry joint at Cianjhen Plant. (Complete)	651
27.	Replacement of resin pipes in Toufen Plant.	561
28.	Improvement of chimney emissions for WL production lines P006 & P007 in Toufen Plant (equipment under production)	8,800
29.	Replacement of #2 drying air blower (100HP) in Toufen Plant (equipment under production)	3,000
30.	Replacement of main furnace transformer in Toufen Plant.	17,926
31.	Rectification of ceiling line drying furnace energy supply method in Toufen Plant (Project in Progress).	3,000
32.	Installation of softening equipment for process cooling towers in Toufen Plant (Project in Progress).	1,000
33.	Detection of discharge pipes in Toufen Plant.	890
34.	Preheating system for purified water in Zhongshan Plant.	1,182
35.	Costs for environmental protection related to exhaust gas and wastewater monitoring in Zhongshan Plant.	1,793
36.	Maintenance and repair costs for exhaust gas and wastewater monitoring instruments in Zhongshan Plant.	733
37.	Others (Environmental capital expenditures under NT\$500 thousand)	9,289
Total		220,178

The Company's expected environmental protection expenditures in 2026 are as follows:

Unit: In Thousands of New Taiwan Dollars

Proposed Pollution Prevention Equipment or Expenditure Content		Amount
1.	Improvement of VOCs emissions from xylene recovery tank in E+F-Line, Renwu Plant manufacturing section 1	2,600
2.	Replacement of V-407C at Renwu Plant with a stainless steel tank project.	2,300
3.	Energy-saving project for the first-stage compressor outlet reflux in Renwu Plant No. 1.	1,000
4.	Addition of a small cooling water circulation pump in Renwu Plant Manufacturing Section 2.	1,750
5.	High-efficiency transformer update operation in Renwu Plant.	5,500
6.	Replacement of vinyl acetate injection pump at Line 3 in Linyuan Plant.	9,000
7.	Replacement of additive injection pump at Line 1 in Linyuan Plant.	2,500
8.	Installation of TK-7201 groundwater pollution prevention and monitoring equipment at Linyuan Plant	1,000
9.	Software upgrade update for the exhaust gas combustion tower monitoring computer system in Linyuan Plant.	1,500
10.	Replacement of P2427-1/P2427-2 water circulation pumps with high-efficiency pumps at 24th area (TORAY SAN process) in Linyuan Plant	686
11.	Replacement of P2426/P2436 gear pumps at 24th area (TORAY SAN process) in Linyuan Plant.	3,600
12.	Replacement of vacuum pump at 24th area in Linyuan Plant.	652
13.	Procurement of two feed flow meters (FT-2210A, FT2204A) for specification and form change, and replacement at 22nd area (ABSL process area) in Linyuan Plant.	680
14.	Addition of FIT connection to DCS panel monitoring for feed pipelines in 21st/22nd areas of Linyuan Plant	3,830
15.	Replacement of B2684A blower at 26th area (ABS process area) in Linyuan Plant and installation of an independent VG pipeline.	1,970
16.	CEMS connection computer system update for the exhaust gas combustion tower in Area 81 of Linyuan Plant.	2,000
17.	Maintenance and repair project for incinerator operation equipment, and refractory brick (mortar) inspection of heating equipment and heat exchangers in Linyuan Plant.	1,500



	Proposed Pollution Prevention Equipment or Expenditure Content	Amount
18.	Merger of Cianjhen Plant's cooling water system into the Delta Chemical Engineering Project.	1,600
19.	Replacement of thermal media circulation pipeline for R1 reaction tank at Cianjhen Plant.	700
20.	Replacement of the resin mixed bed tower MB1 in the pure water equipment at Cianjhen Plant.	1,700
21.	Replacement of SM receiving pump P-605(B) at Cianjhen Plant.	520
22.	Partial replacement of the chimney for the FB-650 heat transfer boiler at Cianjhen Plant.	950
23.	Addition of softening system for air compressor in Toufen Plant.	1,780
24.	Replacement of the gas combustion auxiliary blower on the west side of Toufen Plant.	1,200
25.	Purchase of vibrating screens for water filtration on the east and west sides in Toufen Plant.	600
26.	Replacement of O2 monitoring and automatic gas regulation system for spinning machines in Toufen Plant.	4,500
27.	Toufen Plant industrial waste removal and disposal costs.	25,000
28.	Toufen Plant exhaust gas treatment equipment operation and maintenance costs.	20,730
29.	Toufen Plant wastewater treatment equipment operation and maintenance costs.	13,930
30.	Toufen Plant Air Pollution Control Fee	7,000
31.	Regular application for detection of stationary pollution sources in Toufen Plant.	2,300
32.	Toufen Plant carbon fee	2,000
33.	Costs for environmental protection related to exhaust gas and wastewater monitoring in Zhongshan Plant.	1,773
34.	Maintenance and repair costs for exhaust gas and wastewater monitoring instruments in Zhongshan Plant.	714
35.	Others (Environmental capital expenditures under NT\$500 thousand)	7,536
	Total	136,601

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

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

V. Labor relations:

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

1. Employee welfare measures

- (1) The Company provides a diversified and competitive salary system, on the premise of external competition, internal fairness and legality, and upholds the concept of sharing profits with employees to draw, retain, cultivate and motivate outstanding talents. The remuneration of the Company's employees consists of monthly salaries, bonuses for production performance, and employee compensation for the distribution of each year's earnings.
- (2) In order to maintain the overall salary competitiveness, the Company conducts annual salary increase according to the profit situation, market salary level, price index, company salary policy, annual performance and development potential of colleagues. The salary increase range of employees in 2025 is about 3%. The remuneration of employees shall not be less than one (1) percent of the Company's profit in the current fiscal year. The total amount of employee compensation distributed should allocate no less than 40% of the amount to frontline employees.
- (3) The Company rewards employees for their contributions and motivates them to continue their efforts through employee compensation, so that the interests of employees and shareholders are directly aligned to create a win-win-win situation for the Company, shareholders and employees. The Company bases the distribution of employee bonuses on the results of the Company's operations while referring to the payout levels in R.O.C. industry. The amount allocated to each employee is based on individual contribution and performance.
- (4) As regards the compensation of employees of overseas subsidiaries, the Company not only sets reasonable and competitive salary levels in accordance with the local labor market conditions, but also makes reference to local laws and regulations, industry practices and the overall operating performance of each subsidiary to encourage its employees to make long-term contributions and grow with the Company.
- (5) The Company arranges regular employee health checkups every year. The head office in Taipei is equipped with fitness facilities and showers, and each plant is equipped with qualified nurse practitioners to provide employees with physical health care and medical assistance, as well as physiological leave and independent space for breastfeeding for female employees, and childcare and education organizations to provide childcare and parenting services.
- (6) Employees who have served in the Company for 3 months (or above), are entitled a birth allowance of NT\$10 thousand for each new born child in the family. The amount is doubled for twins. Employees' application for unpaid parental leave can be submitted before their children reach the age of three and the leave can be extended to up to two years.

The Company has established the Employee Welfare Committee and sets aside fund for the welfare fund in accordance with the Employee Welfare Fund Act. The Company manages the use of the employee welfare fund for various beneficial activities to promote the physical and mental health of employees. All employees of the Company are entitled to fair access to all benefits provided by the Employee Welfare Committee. The retention and use of the employee welfare fund are processed by the Employee Welfare Committee.

2. Workplace Diversity and Equality



In 2025, according to the characteristics of the petrochemical industry, although there is a slight difference in the ratio of male to female, it still approaches 1 to 1, showing the achievement of gender equality. (Compared with the full salary, the ratio of male to female in the middle and upper ranks was 1.36:1, and that of male to female in the general staff was 1.07:1; In terms of salary, the ratio of male to female is 1.24:1, and that of male to female is 0.86:1).

3. Employee education and training

- (1) Every year, the Company shall conduct surveys on requirements of employee training, and complete annual training plans in accordance with the Company's employee training regulations. The Company shall also create budget for the implementation of trainings. Employee functional training, management training, seminars, health talks and various types of conferences are all included in the scope of training. Employees can participate in learning through various learning methods including work instructions given by supervisors, classroom lectures, educational CDs or online learning.
- (2) In order to combine both employee training and promotion, the Company has specifically established general education courses for promotion in order to encourage employees to actively learn and study. Employees must complete the prescribed courses before they can be officially promoted.
- (3) For employees who demonstrate a strong willingness to learn and develop their potential, the Company provides grants for further education in local universities, which are supplemented with career adjustments in their respective positions in order to nurture leaders required by enterprises.
- (4) Employee training is recorded and archived. Every year, employees have to attend at least 8 hours of internal training, which is taken into account during employees' performance appraisal. At the end of each course, the Company conducts employee opinion surveys and prepares review reports. Satisfaction surveys will also be organized at the end of every year to collect employees' opinions and recommendations on employee training as a reference to improve training.
- (5) Employee Training Expenditures: The total training expenditures for 2025 amounted to NT\$7,276 thousand.

Name of Representative Training	Recipients	Name of Representative Training	Recipients
AI Trends and Legal Risk Guide	General Staff	Prevention of Unlawful Infringement in the Workplace	General Staff
The first Group Code of Conduct briefing by the Group	General Staff	Protect Mental Health: Mindfulness Stress Reduction Techniques	General Staff
The second Group Code of Conduct briefing by the Group	General Staff	Pursuing Joy and Success in Work	General Staff
Workplace Bullying Prevention: From Legal to Corporate Practice	General Staff	Face Challenges with Optimism	General Staff
[Ethics Seminar] Brave Adventure to USIG Island	General Staff	Win-win Interpersonal Interaction - Harmonious Human Relationship (2025)	General Staff
[Ethics Seminar] Insider Trading Case Studies and Related Legal Responsibilities	General Staff	[Formosa Lecture Series] 2025 Comprehensive Tax and Financial Planning Guide	General Staff
[Ethics Seminar] Brief Introduction of Trade Secrets Act and Case Study	General Staff	Ethics Seminar: Copyright Protection and Fair Use	General Staff
[Ethics Seminar] Breach of Trust: Legal Responsibility and Case Study	General Staff	Generative AI Workshop and Advanced Instructor Enhancement Course	Designated employees
Understanding Metabolic Syndrome/Dietary Control for Middle-aged and Older Adults	General Staff	Money Forward: Smart Choices in Investment × Insurance	General Staff
#7 Gluing Machine Operation Training	Personnel from the Plastic Sheet and PVC Leather Section 1	Rupture Disc Training	Personnel from the Engineering Department
Incident Investigation Training and Drills	Related employees	Initial and refresher training for hypoxia operation supervisors	Related employees
2025 Employee Service Plan Remark and Promotion	General Staff	Energy Baseline and Energy Audit Training Course	Designated employees

Name of Representative Training	Recipients	Name of Representative Training	Recipients
Corrosion, Energy Consumption, and Overhaul Management Seminar for Chemical Plants	Related employees	Annual Maintenance Hazard Notification and Operation Safety Awareness and Joint Protocol Organization Seminar	Related employees
Financial Statement Analysis and Decision Making	Related employees	Energy Management Training	Related employees
Fire Commander Skills Training Course	Related employees	Training Course for Pipeline Supervision Engineers	Related employees
2025 YEAR Weight Loss Activity Muscle Strength Training	General Personnel	On-the-Job Training Course for Aerial Work Platform Operators, Refresher Course	Related Operators
Occupational Safety and Health Personnel Knowledge Enhancement Training Course: "Practical Training on Automatic Inspection of Pipeline System Components"	Designated employees	Special Safety and Health Training Course for High-Altitude Operations Personnel	Related Operators
Training on Operation of 25kg Packaging Machine TOPAS Equipment	Personnel from Raw Material Storage & Transportation Section	Highly Effective Parent-Child Communication Techniques	Related employees
AI Manufacturing Power: Practical Application of ChatGPT in Manufacturing Industry	Related employees	Kaohsiung City Pipeline Excavation Engineering Management Personnel Certification Training Course	Related employees
DCS disk control principle and operation training	Related employees	Fundamentals of Financial Cost Management	Chief
Key Advocacy of ESG Sustainability Insights and the annual ESG Report	Designated employees	CPR and AED First Aid Training Course	Related employees
Overview of GHP Process	Personnel from Alkaline Chlorine Section	Basic Training on High-Pressure Transfer	Designated employees
IE4 Motor Selection Subsidy and Basic Concepts of Energy-Saving in Fans and Practical Case Study Workshop	Designated employees	Net Zero Carbon Emission Strategy – Development of Geothermal Energy and Carbon Sequestration Technologies	Related employees
IEM Gas Chromatography Instrument Training	Personnel from Quality Inspection Section	Health Risk Assessment Specialists	Related employees
Training on IFRS S1/S2 Sustainability Disclosure Guidelines	Related Operators	Problem Analysis and Resolution Workshop	Related employees
ISO 50001 Energy Management System Internal Auditor Training	Internal Auditors	On-the-Job Occupational Safety and Health Training for Supervisors of High-Pressure Gas Operations	Related Operators
ISO System Management Framework Training (including Policy and Management-by-Objectives Programs)	Related employees	Forklift Operator Training Course in Occupational Safety and Health	Related Operators
Preliminary Hazard Analysis (PrHA)	Designated employees	A Brief Discussion on the Causes and Treatments of Neuralgia	Related employees
Procedure Hazop method for hazard analysis	Designated employees	Practical Mixing and Extrusion Processing Techniques	Designated employees
Training on PSM Platform Operation (Incident Investigation, Compliance Audit)	Related employees	On-the-Job Occupational Safety and Health Training for Operators of Category I Pressure Vessels	Related Operators
PSM Process Overview and Education and Training	Personnel from Alkaline Chlorine Section	Procedures for Equipment Power Shutdown and Restoration On-site	Related employees
PVC Basic Training	Business personnel	Communication within the organization and effective leadership	Chief
Retraining on TAF Certification Provisions and Test Standards (All Items)	Inspection Personnel	On-the-Job Occupational Safety and Health Training for Personnel Handling or Using Hazardous Materials and Engaging in Hazardous Operations	Related Operators
On-the-Job Occupational Safety and Health Training and Refresher Course for Acetylene Welding Operators	Related Operators	Emergency Response Training for Equipment Abnormalities/VCM Plant Process Overview	Related employees
VOC Prevention Equipment Training	PVC Leather Section 2 Personnel	Creating High-Performance Teams	Related employees
Ethylene Underground Pipeline Emergency Drill	Related employees	Labor Law Course	Personnel from the Personnel Section
Large Truck License Training Course	Designated employees	International Trends in Circular Economy and Industry Cases	Related employees
Education and Training on Insurance for Small-scale Engineering Projects	Engineering Department personnel	Legal Awareness and Response in the Era of Intelligence	General Personnel



Name of Representative Training	Recipients	Name of Representative Training	Recipients
Training on Work Safety Permits	General Personnel	Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-Making	Related employees
Work guidance, development planning, and implementation	Chief and Related Employees	Ionizing Radiation Continuing Education Course	Related employees
Internal audit personnel's analysis of internal control practices related to the management of sustainability information	Audit Agent	Foaming Furnace and Printing Machine Operation Training, Customer Quality Requirements, and Production Management	PVC Leather Section 2 Personnel
Business Management Strategies in Uncertain Environments	Chief	Comprehensive Tax and Financial Planning Guide	Related employees
Refresher Training for Type A and C Occupational Safety and Health Supervisors	Related employees	Huayun AI Application Management Practices - Safety Detection Systems and Intelligent Image Recognition	Related employees
Introduction to Chemical Process Unit Operations	Designated employees	Copyright Protection and Fair Use	General Personnel
Instructions for Operating and Using the Chemical System Interface	General Personnel	Grievance and Conflict Management	General Personnel
Delta V Configuration Training	Related employees	Training on Shaft Seal Maintenance	Personnel from Maintenance Section of Raw Materials
Insider Trading Practices and Legal Liabilities	General Personnel	Introduction and current development of Xuanju and Huanjing's business transactions.	Related employees
Chief Awareness of Workplace Misconduct	General Personnel	Glass Wool Building Materials and PVC Eco-Friendly Materials	Related employees
Processed Products Cost Calculation Course	Designated employees	Corporate Rejuvenation Course	Related employees
Training on External Procurement Procedures	Designated employees	Introduction and Applications of Ferrite Cores and Silicon Carbide	Related employees
Information Security Risks and Safe Usage Guide of Generative AI	General Personnel	Group Coating New Product Introduction and Application Training	General Personnel
Level A On-the-Job and New Hire Training for Dedicated Wastewater Treatment Personnel	Related employees	Acceptance standards for newly purchased and outsourced rotating equipment repairs	General Personnel
Analysis of internal control management practices for corporate greenhouse gas inventory	Designated employees	On-the-Job Occupational Safety and Health Training for Supervisors of Hazardous Operations	Related Operators
Global Minimum Tax Regime Training Seminar	Designated employees	Business strategy planning and plan formulation.	General Personnel
Chilled Water Mainframe Sustainable Energy Efficiency Net Zero Carbon Reduction Plan	General Personnel	Find opportunities in challenges, create value in transitions.	General Personnel
Loader/Bobcat (Loader Training)	Related Operators	Information security course	General Personnel
How to improve work efficiency?	General Personnel	Ink and Laser Printing Machine Operation Training	Personnel from the Hard Pipe Section
Annual Refresher Training on Radiation Protection	Related Operators	How much do you know about group insurance benefits?	Related employees
Business Innovation and Management	General Personnel	Internal Audit Seminar for Laboratories	Designated employees
Effective Motivation and Leadership	Chief	Writing and guidance for voluntary emission reduction plans for carbon fees.	Related employees
Safety Precautions for Handling Organic Solvents and Supervisor Refresher Training	Related employees	Internet Copyright and Legal Software Use	General Personnel
Self-defense and fire marshalling team personnel training	Designated employees	Emergency Response and Evacuation Drills	Related employees
Digital Transformation and Practical Application of AI for Administrative Personnel Course	Related employees	Process Safety Management (PSM) Training - Equipment Integrity, Amendment Management, and Process Safety Information	General Personnel
Fire Prevention Manager Training Course - Initial Training	Designated employees	Certification Test Inspection and Hands-on Training	Inspection Personnel
Typhoon Emergency Response Drill	Related employees	Emergency handling of acid and alkali spills	General Personnel
Instrument Calibration and Quality Management Seminar	Designated employees	Leadership and communication	Chief
On-the-Job Occupational Safety and Health Training for Operators of Fixed Cranes	Related Operators	Practical Training Course on Explosion-Proof Electrical Supervision and On-Site Inspection	Designated employees
Social Engineering Exercise: Email Security and Phishing Prevention	General Personnel	Maintenance of underground pipelines outside the plant	Related employees
On-the-Job Training for Air Pollution Control Personnel	Professional technicians	Wastewater Process Safety Education and Training	Personnel from Utility Section
Non-Destructive Testing Technical Training – Visual Testing (VT) and Ultrasonic Testing (UT) Intermediate Level	Professional technicians	On-the-Job and New Hire Training for Waste Disposal and Treatment Professional Technicians	Related employees

Name of Representative Training	Recipients	Name of Representative Training	Recipients
Security Inspector Training Program	Designated employees	Training on Heat Exchanger Maintenance	Personnel from the Engineering Department
Customer Opposition Quality Training	Personnel from Technical and Quality Section of the Plastic Sheet Factory	Introduction to Adhesive Tape Machine Process and Routine Maintenance	Personnel from the Plastic Sheet and PVC Leather Section 1
Quality Promotion and Occupational Safety Advocacy	PVC Leather Section 2 Personnel	Understanding and Prevention of Noise	General Personnel
Introduction to Letter of Credit Insurance and International Trade Fraud Case Sharing	General Personnel	On-the-Job Training Course for Advanced and Command-Level Toxic and Concerned Chemical Substance Response Personnel	Professional technicians
On-the-Job Occupational Safety and Health Training for Emergency Responders	Designated employees	Machine cleaning and anti-entanglement safety drill	Personnel from Technical and Quality Section of the Plastic Sheet Factory
Command-Level Toxic and Concerned Chemical Substance Response Personnel	Professional technicians	Practical Training Course on Mechanical Material Testing and Failure Analysis	Designated employees
Fire and explosion incident at BP Texas Refinery, USA	General Personnel	Brief Introduction of Trade Secrets Act and Case Study	General Personnel
On-the-Job Training for Professional Technicians and Managers on Toxic and Concerned Chemical Substances	Related employees	Environmental Analysis Technology Seminar - Microbial Assessment and Biototoxicity Detection Techniques	Related employees
Training on Pump Maintenance	Related Operators	UMC Circular Economy Strategy and Supply Chain	General Personnel
Toxic Chemical Disaster Emergency Drill and Self-defense Fire Brigade Drill	Related employees	On-the-Job Occupational Safety and Health Training for Boiler Operators	Related Operators
Transformer insulation oil inspection Remark	Personnel from Instrumentation and Electricity Section	Presentation skills	Related employees
Flame Retardant Training	Personnel from Research and Development Department	Catalyst 650A Warehouse Training	Designated employees
Breach of Trust: Legal Responsibility and Case Study	General Personnel	Security Guard Training Course	Related employees
Miaoli County 2025 Labor Safety and Health and Occupational Accident Seminar	General Personnel	Prospects for the U.S.-China Economy and Taiwan Industry after the U.S. Election	Chief

4. Employee Retirement System

Item	Labor Pension	
	Old	New
Legal Basis	Labor Standards Act	Labor Pension Act (Effective from July 1, 2005)
Proportion of Salary Contributed to Pension	The Company set up the "Labor Pension Reserve Supervision Committee," and contributes 12% of employees' monthly salaries to the pension reserve fund.	Employer: Employee's monthly salary 6% Employee: 0-6% per month (which can be fully exempted from employees' individual consolidated income tax amount of the current year)
Custodian Institution	Bank of Taiwan	Labor and Insurance Bureau
Eligibility and Application Method	When an employee whose service for a company constitutes the eligibility for pension payment in accordance with Labor Standards Act for the employee, the employer shall make such payment upon the employee's retirement.	At the age of 60, an employee may apply for return to the Labor Insurance Bureau for the accumulated amount in his/her individual pension account.
Degree of Employees' Participation in Pension Plan	100%	100%
Appropriation	Accumulated appropriation of NT\$1,803,315 thousand	NT\$183,007 thousand was allocated in 2025
Note:		
<p>1. In old pension system, if the balance in the fund, after actuarial evaluation, is insufficient to pay to all employees qualified for retirement in following year, the Company shall make up the difference in one appropriation by the end of March in the following year. The appropriation shall be submitted to the Supervisory Committee of Labor Retirement Reserve for deliberation.</p> <p>2. The amended Labor Pension Act took effect on July 1, 2005. Employees who were hired prior to the enactment of the amended articles and remain working for the Company thereafter are allowed to choose between the amended or the old system until July 15, 2005. Those who failed to make decision before the aforementioned deadline shall continually apply to the old system. Those who choose the new system will be required to contribute to the new retirement pension starting from July 1, 2005; those who choose the old system (including those who do not choose the old system for the time being) will be allowed to change to the new system within five years</p>		



(before June 30, 2010). Employees who are employed after July 1, 2005 or are re-employed after resignation after the aforementioned date shall be applicable to the amended pension system.

3. Employees who are applicable to the amended pension system in accordance with the Labor Standards Act may not choose to be applicable to the old pension system.

4. Provisions of Labor Pension Act applicable to the Company include the following:

Voluntary retirement:

A worker may apply for voluntary retirement under any of the following conditions: (the provisions shall apply, mutatis mutandis, to those who are in the amended Labor Pension Act system)

(1) Where the worker attains the age of fifty-five and has worked for fifteen years.

(2) Where the worker has worked for more than twenty-five years.

(3) Where the worker attains the age of thirty and has worked for ten years.

Mandatory retirement:

Unless any one of the following circumstances is met, the Company shall not force an employee to retire:

(1) Where the worker attains the age of sixty-five

(2) Where the worker is totally incompetent at work due to mental disorders or physical disabilities.

The Company may request the central competent authority to adjust the age prescribed above if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided. However, that the age shall not be reduced below fifty-five.

Pension payment standard:

(1) Employees who have service seniority accumulated before or after the application of the Labor Standards Act, and choose to be applicable to the Labor Standards Act in accordance with Labor Pension Act or service seniority preserved before the application of the Labor Pension Act, shall have their retirement benefit paid in accordance with Article 55 and Article 84-2 of the Labor Standards Act.

(2) Employees who have service seniority calculated according to the preceding pension payment standard and are forced to retire, an additional 20% on top of the amount calculated according to the preceding pension payment standard shall be given to the worker forced to retire due to disability incurred from the execution of their duties, as set forth in Subparagraph 2 of Paragraph 1 of Article 55.

(3) For employees who are applicable to the provisions of the Labor Pension Act, 6% of the amount of employee's salary into employees' individual account of labor pension.

Pension payment:

The Company shall pay the due amount of pension within 30 days after an employee's retirement.

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

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

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

Unit	Name	Related Study License
Accounting Division	Kuo, Chuan-Hua	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
	Chang, Sheng-Chuan	Passed the Accountant Examination in the 2007 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination Certificate No.: (96) Chuan Kao Hui Tzu No. 000147
		Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
	Li, Chun-feng	Passed the Accountant Examination in the 2008 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination Certificate No.: (96) Chuan Kao Hui Tzu No. 000328
		How to apply Robotic Process Automation (RPA) to enhance Internal control effectiveness Legal Responsibilities and Compliance Practices in Financial Crimes of the Digital Era
Li, Chun-Yao	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation	
Audit Office	Chiang I-Ting	Certified Internal Auditor (CIA)
		Certification of internal audit personnel's advanced study and test Certificate No.: Audit of Beijingshaft No. 1141108 Certificate No.: Audit of Beijingshaft No. 1141388
		Certified Internal Auditor (CIA)
	Li Ta-Cheng	Certification of internal audit personnel's advanced study and test Certificate No.: Audit of Beijingshaft No. 1140091 Certificate No.: Audit of Beijingshaft No. 1142341
		International Certified Internal Auditor certification Certificate No.: Chi Hsieh Cheng Tzu No. 1060022
	Lin, Chia-Hui	Internal Audit Association of the Republic of China Certificate No.: Audit of Beijingshaft No. 1141808 Certificate No.: Audit of Beijingshaft No. 1147550

Unit	Name	Related Study License
	Tu, Ying-Chun	Certified Internal Auditor (CIA) Certificate of Completion of the Basic Competency Test for Internal Control of Enterprises by the Securities and Futures Market Development Foundation of the Republic of China (Taiwan)
	Jiang, Kang-Nian	Certified Internal Auditor (CIA) "Information Security Protection" and "Cloud Security" Audit Practice Seminar Regulations and Practical Analysis of Loans, Endorsements and Guarantees, and Acquisition and Disposal of Assets
	Kuo, Shih-To	Internal Audit Association of the Republic of China Certificate No.: Audit of Beijingshaft No. 1141918 Certificate No.: Audit of Beijingshaft No. 1148521

7. Employee Code of Conduct or Ethics

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

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

For the Employee Work Rules, please refer to the Company's website:

<https://www.usife.com>, under the Corporate Governance section of the Corporate Governance and Investor Services area.

8. Protection Measures for Employee Personal Safety and Health and Work Environment and Their Implementation

- (1) The Company has passed ISO 14001 (valid from July 2, 2025 to July 2, 2028) and OHSAS18001 (completed in May 2020 and obtained ISO 45001 certificate, currently valid from April 21, 2025 to April 16, 2028) management system certification, and actively promotes energy conservation, disaster prevention, pollution prevention and other improvement activities.
- (2) In order to enhance self-inspection of all aspects of work safety, the Company complies with the "Group Safety and Health Partners Regional Joint Rescue" system recommended and guided by the South Labor Inspection Institute, and actively participates in the events organized by Renda Safety and Health Promotion Association.
- (3) The Company actively attends activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, as well as helps contractors build a safe and healthy environmental management system. In addition, the Company also participates in community events and cares for product protection in order to create a better living environment.
- (4) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides group insurance, annual health checkups, sports and fitness equipment, as well as organizes various outdoor recreational activities



and talks on mental, emotional and spiritual health.

- (5) With regard to employees' personal safety protection, the Company not only provides employees with personal protective equipment such as goggles, earplugs and earmuffs, as well as vertical fall arresters, but also continuously offers training related to employee safety, with hopes that manufacturing equipment can run safely in plants, thereby achieving production goals in a smooth manner.

9. Fulfilling Social Responsibilities

- (1) The Company makes contributions to our social and economic well-being.
 - (2) The Company encourages its employees to participate in various service activities to promote community and social development.
 - (3) The Company does its best to reduce the negative impact of its business activities on the environment in line with government regulations, and achieve the objectives of the Group's environmental policies (environmental protection responsibilities (carbon reduction and greenhouse effect reduction) such as using eco-friendly refrigerants and energy-saving lamps).
 - (4) The Company does its best to take in to account local cultural and social traditions when conducting various business activities.
 - (5) The Company has always been committed to the principle of equal opportunities and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation.
- (II) In the most recent years as of the publication date of the annual report, the losses suffered due to the labor disputes (including matters with labor inspection results that violate the Labor Standards Act, the punishment date, the punishment font size, the provisions of the statute violated, the content of the statute violated, and the punishment content are listed), and the current and future estimated amounts and responding measures shall be estimated. If it cannot be estimated reasonably, state the fact that it cannot be estimated reasonably:

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

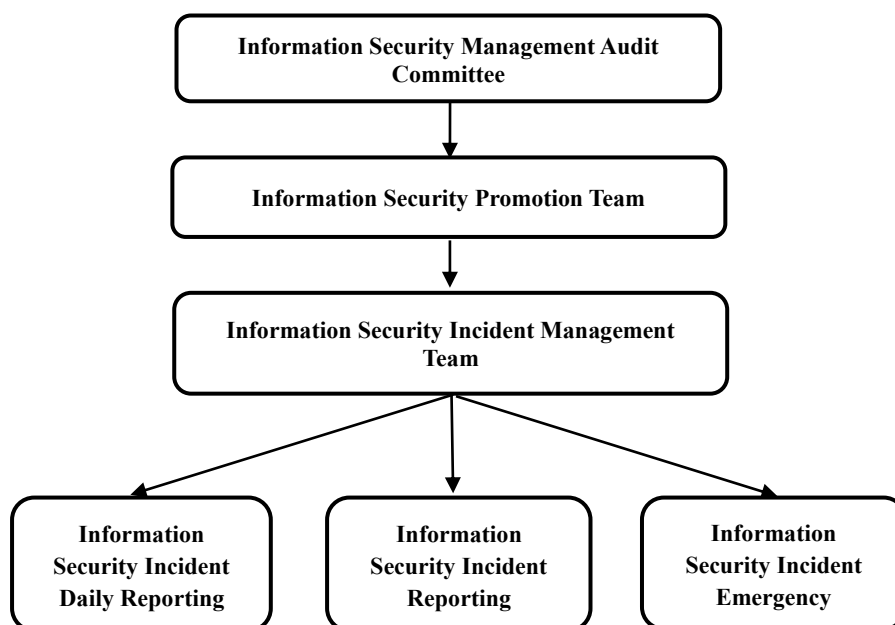
VI. Information Security Management:

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

1. Information security risk management framework:

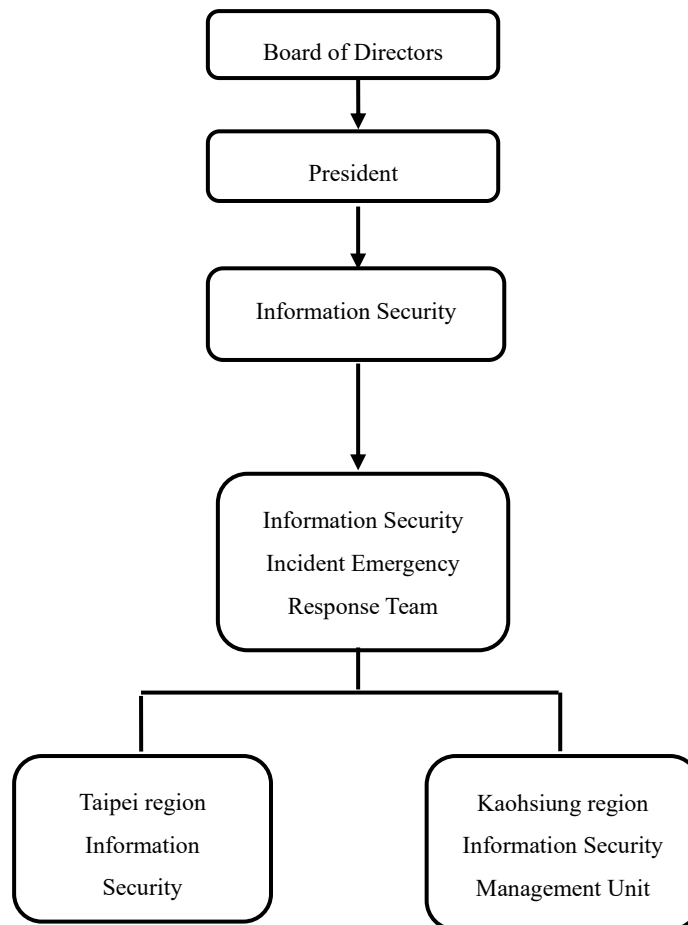
- (1) Enterprise information security governance organization:

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



- (2) Enterprise information security Organization Structure:

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



Responsibilities of Information Security Promotion Team:

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

2. Information Security Policy:

(1) Enterprise Information Security Management Policy and Structure

• **ISO 27001 Info Security System:**

ISO/IEC 27001 has been established since 2014: In 2013, the Information Security Management system was continuously operated and promoted. Every year, the British Standards Institution (BSI), an external professional asset safety inspection and certification company, was invited to conduct the review. In 2025, it underwent ISO/IEC 27001:2022 upgrade verification and approval. It has been certified for 11 consecutive years (the current certificate is valid from July 4, 2023 to July 3, 2026).

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

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

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

Based on the ISO 27001 asset safety management system, supported by the NIST CSF

asset safety management framework, strengthen the management of risks, enhance the resilience of asset safety and the ability to withstand, contain and quickly recover asset safety events, in order to continue to provide critical operational services.

(3) Specific management plan:

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

(4) Resources invested in security management:

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

- Dedicated staff: A dedicated corporate organization, "Information Security Network Section", has been set up with a dedicated information security director and information security staff to be responsible for the Company's information security planning, technology introduction, and related auditing matters in order to maintain and continuously strengthen information security.
- Certification: Passed ISO/IEC 27001 information security certification for 11 consecutive years with no major deficiencies in related information security audits.
- Customer Satisfaction: No major information security incidents and no complaints about loss of customer data.



- Education and Training: All information personnel have completed two annual information security education and training programs. All Group employees conducted one social engineering phishing exercise, with a total of 2,077 participants.
- Investment expenditure: A total of about NT\$7320 thousand
- Information Security Notices: 8 notices were issued.

(II) Major information security incidents:

State the losses suffered in the most recent year and up to the date of publication of the annual report as a result of major information security incidents, possible impacts and countermeasures, and if it is not reasonably possible to estimate, state the fact that it is not reasonably possible to estimate. (Legal basis: Subparagraph 2, Subparagraph 6, Article 18 of the Annual Report Standards)

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

(III) Communications Security Risks and Response Measures

1. Risks to Information Technology Security:

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

2. IT security management measures:

- (1) The internal audit department of the Company and the external professional security consulting company will conduct the audit regularly. The external company also requests the British Standards Institution Taiwan Branch (BSI), an internationally renowned certification company, to conduct the ISO 27001 certification audit every year. In addition to reviewing the framework for information security risk management, provide guidance and prevention on internal and external issues, and conduct information security risk assessment and analysis.
- (2) A Multi-Factor Authentication (MFA) mechanism is fully implemented for the Group's web mail system, where in addition to first factor authentication via password, second factor authentication via a separate device is required in order to enhance security levels.
- (3) The Group's OT adopts Palo Alto networks 3220, using a next-generation 7-layer firewall system to improve the filtering efficiency for incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure.
- (4) Enhanced control of external devices for chemical control equipment: Restricted USB access to prevent data leakage and external security attacks from affecting the production line.
- (5) External storage media health check: Conduct comprehensive external storage media checks to minimize the risk of data loss and hidden security hazards on external devices through regular scans, inspections, and inventories.
- (6) Annual security inspections are conducted on corporate laptops used outside the internal network to ensure compliance with the latest information security policies. This process

helps to detect and remediate potential vulnerabilities in a timely manner and reduce the risk of external malicious threats or attacks.

- (7) We appoint professional external information security consulting companies to conduct vulnerability assessments each year to identify potential risks for system corrections or propose remedial measures.
- (8) To enhance personnel information security management and prevent incidents such as hacking or data breaches, information personnel undergo a minimum of four hours of information security training annually. Additionally, security awareness is reinforced through the sharing of new information security knowledge.

3. Promotion, development, and application of Generative AI (GenAI) technology:

In view of the rapid development of Generative AI technology, it is thoroughly integrated into various operational aspects of the group, precisely aligning with Generative AI solutions, utilizing Generative AI technology to reduce manual operation time and increase operational accuracy. Achieve a technology-driven productivity transformation through the construction of systematic generative AI training courses and tool support.



VII. Important Contracts:

Nature of Contract	Contracting Party	Contract Start/End Date	Major contents	Restrictive Provisions
Ethylene purchase contract	CPC Corporation	January 1, 2025 - December 31, 2025	Annual volume and price of ethylene supplied to USI.	None.
Ethylene purchase contract	Fujian Gulei Petrochemical Co., Ltd.	January 1, 2025 - December 31, 2025	Annual volume and price of ethylene supplied to USI.	None.
Vinyl acetate purchase contract	Dairen Chemical Corporation	January 1, 2025 - December 31, 2025	Annual contract volume and price of vinyl acetate supplied to USI.	None.
Vinyl acetate purchase contract	HELM	January 1, 2025 - December 31, 2025	Annual contract volume and price of vinyl acetate supplied to USI.	None.
Vinyl acetate purchase contract	Sipchem	January 1, 2025 - December 31, 2025	Annual contract volume and price of vinyl acetate supplied to USI.	None.
110-1 Unsecured Bonds (A)	The trustee is Bank SinoPac Company Limited	June 23, 2021-June 23, 2026	USI issued corporate bonds worth NT\$1 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 0.63%.	None.
110-1 Unsecured Bonds (Tranche B)	The trustee is Bank SinoPac Company Limited	June 23, 2021 - June 23, 2028	USI issued corporate bonds worth NT\$1 billion in total; the bonds were fully issued at par value of NT\$1 million; a 7-year term with fixed interest rate of 0.73%.	None.
110-2 Unsecured Bonds (A)	The trustee is Bank SinoPac Company Limited	October 26, 2021 - October 26, 2026	USI issued corporate bonds worth NT\$0.7 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 0.63%.	None.
110-2 Unsecured Bonds (Tranche B)	The trustee is Bank SinoPac Company Limited	October 26, 2021 - October 26, 2028	USI issued corporate bonds worth NT\$1.3 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 0.77%.	None.
Long-term Loan Agreement	Yuanta Bank	August 16, 2024 - August 15, 2027	USI - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Bank of China, Taipei Branch	October 28, 2025 - October 27, 2028	USI - For improving financial structure and strengthening operating capital	None.
Long-term Loan Agreement	Bank SinoPac	August 6, 2025 - August 6, 2028	USI - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Export-Import Bank of China	December 29, 2025 - October 23, 2028	USI - For improving financial structure and strengthening operating capital	None.
Long-term Loan Agreement	First Commercial Bank	March 25, 2025 - March 25, 2028	USI - For improving financial structure and strengthening operating capital	None.
Long-term Loan Agreement	Taipei Fubon Commercial Bank	October 15, 2021 - December 15, 2027	USI - For funding the Phase II Kaohsiung Intercontinental Project	Maintain Certain Financial Ratios
Long-term Loan Agreement	Taipei Fubon Commercial Bank	November 7, 2025 - November 7, 2030	USI - For funding the Linkou R&D Center Project	Maintain Certain Financial Ratios
Long-term Loan Agreement	E.Sun Commercial Bank	November 5, 2021 - October 15, 2027	USI - For funding the Phase II Kaohsiung Intercontinental Project	None.
Long-term Loan Agreement	First Commercial Bank	June 27, 2025 - June 27, 2030	USI - For funding the Linkou R&D Center Project.	None.
Technical Cooperation	Footwear and Recreation Technology Research Institute	August 1, 2024 - July 31, 2025	Development of multi-station injection physical foaming process technology for USI's ethylene-vinyl acetate copolymer material applications.	None.
Joint Venture Contract	Ho Tung Chemical Corporation, LCY Group, Asia Polymer Corporation, Hsintay Petroleum Co., Ltd., Chenergy Global Co., Ltd., Lien Hwa International Corporation, CTCI Corporation, Fubon Financial Capital, HF Investment and other	2019.12.18	USI and other nine companies jointly invested in the Gulei Industrial Park located in Zhangzhou, Fujian Province, China, to produce petrochemical-related products.	Restrictions on the transfer and pledge of shares.

Nature of Contract	Contracting Party	Contract Start/End Date	Major contents	Restrictive Provisions
	companies			
Joint Venture Contract	Ever Victory Global Limited and DOR PO Company	2019.06.05	Jointly invested in Dynamic Ever Investments Limited before jointly investing in Gulei Park, Zhangzhou, Fujian Province, to produce petrochemical-related products.	Restrictions on the transfer and pledge of shares.
Material Purchase Contract	Dampier Salt Limited	January 1, 2024 - December 31, 2025	Hwa Hsia entered into a contract with Dampier for the purchase of solar salts at a price to be agreed between the buyer and seller.	None.
Material Purchase Contract	Mitsui & Co.,Ltd	January 1, 2026 - December 31, 2026	Taiwan Company entered into a purchase contract with Mitsui & Co., Ltd for the purchase of ethylene dichloride at a price to be determined by the buyer and seller.	None.
Material Purchase Contract	Mitsubishi Corporation	January 1, 2026 - December 31,, 2026	TVCM entered into a purchase contract with Mitsubishi Corporation for the purchase of ethylene dichloride at a price to be determined by the buyer and seller.	None.
Material Purchase Contract	CPC Corporation	January 1, 2026 - December 31, 2026	TVCM entered into a purchase contract with PetroChina for the purchase of ethylene at a price to be agreed by the buyer and seller.	None.
Long-term Loan Agreement	Bank of China, Taipei Branch	March 15, 2024 - March 14, 2027	CGPC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Cathay United Bank	December 30, 2024 - December 30, 2027	CGPC - For improving financial structure and strengthening operating capital	None.
Long-term Loan Agreement	Yuanta Bank	December 18, 2025 - December 18, 2027	CGPC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Export-Import Bank of China	August 1, 2025 - August 1, 2028	CGPC - For improving financial structure and strengthening operating capital	None.
Long-term Loan Agreement	Chang Hwa Bank	August 27, 2025 - August 27, 2030	CGPC - For improving financial structure and strengthening operating capital	None.
Long-term Loan Agreement	Chang Hwa Bank	December 27, 2024 - December 27, 2031	CGPC - For funding the Co-extrusion Tank Project	None.
Long-term Loan Agreement	Chang Hwa Bank	February 15, 2022 - February 15, 2027	CGPC - For funding the Automated Warehouse Project	None.
Long-term Loan Agreement	Yuanta Bank	April 15, 2022 - April 15, 2027	CGPC - For funding the Automated Warehouse Project	Maintain Certain Financial Ratios
Long-term Loan Agreement	Yuanta Bank	July 15, 2024 - July 15, 2029	CGPC - For funding the VCM Storage Tank Project	Maintain Certain Financial Ratios
Long-term Loan Agreement	Yuanta Bank	September 12, 2024 - September 11, 2026	CGPCPOL - For improving financial structure and strengthening operating capital.	Maintain Certain Financial Ratios
Long-term Loan Agreement	Bank SinoPac	July 31, 2025 - July 31, 2028	CGPCPOL - For improving financial structure and strengthening operating capital.	Maintain Certain Financial Ratios
Long-term Loan Agreement	Hua Nan Commercial Bank	September 15, 2023 - September 15, 2026	CGPCPOL - For improving financial structure and strengthening operating capital.	None.
Long-term Loan Agreement	First Commercial Bank	December 12, 2025 - December 12, 2028	CGPCPOL - For improving financial structure and strengthening operating capital.	None.
Long-term Loan Agreement	Cathay United Bank	October 15, 2021 - October 15, 2026	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	None.
Long-term Loan Agreement	Taipei Fubon Commercial Bank	October 15, 2021 - October 15, 2026	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	Maintain Certain Financial Ratios
Long-term Loan Agreement	E.Sun Commercial Bank	November 15, 2021 - November 15, 2027	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	None.
Long-term Loan Agreement	Bank of Taiwan	February 15, 2022 - February 15, 2027	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	None.
Long-term Loan Agreement	Yuanta Bank	April 15, 2022 - April 15, 2027	TVCM - For funding the Phase II Kaohsiung Intercontinental Project	Maintain Certain Financial Ratios
Material Purchase Contract	CPC Corporation	January 1, 2025 - December 31, 2025	Annual contract volumes and pricing for the supply of ethylene and propylene from APC	None.
Material Purchase Contract	Dairen Chemical Corporation	January 1, 2025 - December 31, 2025	Supply agreement with APC for annual quantity and pricing of vinyl acetate.	None.
Long-term Loan Agreement	First Commercial Bank	November 21, 2025 - November 21, 2028	APC - For improving financial structure and strengthening operating capital	None.
Long-term Loan Agreement	Yuanta Bank	October 13, 2023 - October 13, 2026	APC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Cathay United Bank	October 15, 2021 - December 15, 2027	APC - For funding the Phase II Kaohsiung Intercontinental Project	None.
Long-term Loan Agreement	Bank of China, Taipei Branch	October 28, 2025 - October 27, 2028	APC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Hua Nan Commercial	October 15, 2021 -	CGTD - For funding the Phase II Kaohsiung	None.



Nature of Contract	Contracting Party	Contract Start/End Date	Major contents	Restrictive Provisions
	Bank	October 15, 2026	Intercontinental Project	
Long-term Loan Agreement	Chang Hwa Bank	November 15, 2021 - December 15, 2027	CGTD - For funding the Phase II Kaohsiung Intercontinental Project	None.
Purchase of material	Taiwan Styrene Monomer Corporation	January 1, 2025 - December 31, 2026 (renewed every two years)	Purchase of styrene from Taiwan Styrene Monomer Corporation to be supplied to Taita Chemical's Cianjhen Plant and Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties.	None.
Purchase of material	Formosa Chemicals & Fibre Corporation	January 1, 2025 - December 31, 2025 (Contract renewal every year)	Purchase of styrene from Formosa Chemicals & Fibre Corporation to be supplied to Taita Chemical's Cianjhen Plant and Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties.	None.
Purchase of material	CPC Corporation	January 1, 2025 - December 31, 2025 (Contract renewal every year)	CPC Corporation agreed to sell and supply butadiene to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the price set by CPC Corporation. Payment for the material must be settled on the 15 days of the following month after delivery.	None.
Purchase of material	Formosa Petrochemical Corporation	January 1, 2025 - December 31, 2025 (Contract renewal every year)	Formosa Petrochemical Corporation agreed to sell and supply butadiene to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the price set by Formosa Petrochemical Corporation. Payment for the material must be settled on the 14 days of the following month after delivery.	None.
Purchase of material	China Petrochemical Development Corporation	January 1, 2025 - December 31, 2025 (Contract renewal every year)	China Petrochemical Development Corporation agreed to sell and supply acrylonitrile to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties. Payment for the material must be settled on the 15 days of the following month after delivery.	None.
Purchase of material	CNOOC and Shell Petrochemical Co., Ltd (CSPC)	January 1, 2025 - December 31, 2025 (Contract renewal every year)	Import of styrene from CHOOC and Shell Petrochemicals Co., Ltd. to be supplied to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties, and Taita Chemical should issue a domestic letter of credit before shipment.	None.
Purchase of material	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	January 1, 2025 - December 31, 2025 (Contract renewal every year)	SinoPec Chemical Sales (Huanan) Co., Ltd. agreed to sell and supply styrene to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties. Payment for the material must be settled before delivery.	None.
Purchase of material	PetroChina Company Limited, South China Sales Branch	January 1, 2025 - December 31, 2025 (Contract renewal every year)	SinoPec Chemical Sales (Huanan) Co., Ltd. agreed to sell and supply styrene to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties. Payment for the material must be settled before delivery.	None.
Provision of Technology	Owens Corning Company (U.S. Company)	April 1, 2024 - March 31, 2034	Provision of expertise to Taita Chemical with regards to the manufacture of glass wool insulation products.	None.
Long-term Loan Agreement	Yuanta Bank	May 5, 2023 - May 5, 2026	TTC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Long-term Loan Agreement	Export-Import Bank of China	November 18, 2025 - November 18, 2028	TTC - For improving financial structure and strengthening operating capital	None.
Long-term Loan Agreement	Bank of China, Taipei Branch	July 26, 2024 - July 25, 2027	TTC - For improving financial structure and strengthening operating capital	Maintain Certain Financial Ratios
Medium-term Secured Lending Credit Limit Contract	Yuanta Commercial Bank	November 15, 2024 - November 15, 2029	ACME - Mortgage loan secured by land and plant of Taoyuan Plant; credit limit: NT\$870 million.	There are limitations on current ratio and

Nature of Contract	Contracting Party	Contract Start/End Date	Major contents	Restrictive Provisions
				net debt ratio.
Medium-term Lending Limit Contract	Yuanta Commercial Bank	November 15, 2024 - November 15, 2029	ACME - Mortgage loan secured by land and plant of Taoyuan factory; credit limit: NT\$130 million.	There are limitations on current ratio and net debt ratio.
Medium-term Secured Lending Credit Limit Contract	Yuanta Commercial Bank	December 15, 2023 - December 15, 2028	ACME - Mortgage loan secured by machinery and equipment of Taoyuan factory; credit limit: NT\$560 million	There are limitations on current ratio and net debt ratio.
Medium-term unsecured Lending Credit Limit Contract	Chang Hwa Commercial Bank	October 13, 2025 - October 13, 2028	ACME - Credit limit: NT\$300 million.	None.
Medium-term Unsecured Lending Limit Contract	Mega International Commercial Bank	October 6, 2025 - October 5, 2027	ACME - Credit limit: NT\$100 million.	None.
Medium-term unsecured Lending Credit Limit Contract	Taiwan Cooperative Bank	August 15, 2024 - August 15, 2029	ACME - Credit limit: NT\$28 million.	None.



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

I. Financial Position

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

Unit: In Thousands of New Taiwan Dollars

Item	Year	End of 2025	End of 2024	Difference	
				Amount	%
Current assets		\$23,433,699	\$28,859,123	(5,425,424)	(19)
Long-term investment		3,647,113	8,351,535	(4,704,422)	(56)
Property, plant and equipment		28,573,680	27,476,881	1,096,799	4
Intangible assets		308,635	316,475	(7,840)	(2)
Other assets		7,292,738	6,826,367	466,371	7
Total assets		63,255,865	71,830,381	(8,574,516)	(12)
Current Liabilities		12,376,483	14,696,035	(2,319,552)	(16)
Non-current liabilities		15,425,064	14,364,030	1,061,034	7
Total liabilities		27,801,547	29,060,065	(1,258,518)	(4)
Share capital		11,887,635	11,887,635	0	0
Retained earnings		6,027,462	9,034,583	(3,007,121)	(33)
Equity attributable to shareholders of the parent company		17,511,084	20,800,048	(3,288,964)	(16)
Non-controlling interest		17,943,234	21,970,268	(4,027,034)	(18)
Total equity		35,454,318	42,770,316	(7,315,998)	(17)

(I) Major reasons for material changes

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

The decrease in retained earnings was due to a decline in sales prices, a decrease in sales volume, exchange losses, and an increase in losses from joint ventures recognized under the equity method during the year.

(II) Effects

None.

(III) Future response plan

Not applicable.

II. Financial Performance

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

Unit: In Thousands of New Taiwan Dollars

Item	Year	2025	2024	Increase (decrease)	
				Amount	(%)
Revenue		\$44,167,999	\$51,008,156	(6,840,157)	(13)
Operating costs		(42,820,346)	(48,710,747)	(5,890,401)	(12)
Gross operating profit		1,347,653	2,297,409	(949,756)	(41)
Operating expenses		(3,999,287)	(4,306,123)	(306,836)	(7)
Operating profit		(2,651,634)	(2,008,714)	(642,920)	32
Non-operating revenue and expenses		(4,370,884)	(3,509,340)	(861,544)	25
Net (loss) profit before tax		(7,022,518)	(5,518,054)	(1,504,464)	27
Income Tax (Expense) Benefit		617,238	608,175	(9,063)	1
Net income (loss) for the year		(6,405,280)	(4,909,879)	(1,495,401)	30
Other Comprehensive (Loss) Income After Tax		(471,677)	959,330	(1,431,007)	149
Total Comprehensive (Loss) Income for the Year		(6,876,957)	(3,950,549)	(2,926,408)	74

(I) Major reasons for material changes

1. Gross profit and operating profit decreased, while pre-tax net loss, net loss for the year, and total comprehensive loss for the year increased. This was mainly due to a decline in sales prices, a decrease in sales volume, exchange losses, and an increase in losses from joint ventures recognized under the equity method.
2. Non-operating revenue and expenses loss increased, primarily due to net foreign exchange losses and an increase in the share of loss of associates and joint ventures accounted for using the equity method.
3. Other comprehensive loss after tax increased, primarily due to an increase in foreign exchange losses from the translation of financial statements of overseas operations.

(II) Estimated sales volume and its basis

The Company itself expects the sales volume target for PE/EVA in 2026 to be approximately 356,000 tons; for the Vinyl series and its downstream products, the sales volume target is about 420,000 tons; for ABS/PS, the sales volume target is approximately 427,000 tons; for fiberglass products, the target is about 13,000 tons; and for iron oxide magnetic powder and iron cores, the sales volume target is approximately 9,500 tons.

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

No material effect.

(IV) Future response plan

Not applicable.



III. Cash flow

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

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

Unit: In Thousands of New Taiwan Dollars

Period- beginning cash balance	Annual net cash flow from operating activities	Other cash outflows throughout the year	Cash Balance	Remedies for cash deficit	
				Investment projects	Financing plans
7,604,583	866,773	(4,573,705)	3,897,651	-	-

1. Operating activities:

Net cash inflow of NT\$866,773 thousand decreased compared to the previous year, mainly due to a decrease in operating profit.

2. Investing activities:

The net cash outflow of NT\$3,961,319 thousand was mainly due to the consolidated company's acquisition of real estate, plant, and equipment.

3. Financing activities:

Net cash outflow of NT\$471,396 thousand was primarily due to a decrease in net borrowings from the consolidated companies.

(II) Improvement plans for liquidity shortage

There is no liquidity shortage situation.

(III) Cash flow analysis for the coming fiscal year

Beginning cash balance: NT\$3,897,651 thousand

Annual cash inflow: NT\$1,413,941 thousand.

Annual cash outflow: (NT\$2,005,320) thousand.

Ending cash balance (shortage): NT\$3,306,272 thousand.

IV. Material expenditure and its impact on the Company's financial operations in the most recent fiscal year:

To conduct new product research and development and continue providing technical services to customers, the Company integrates internal and external technological capabilities of the FPG Group to develop midstream and Downstream Products for various group companies. The Company closely collaborates with group companies and brand customers to develop high-value, differentiated, and innovative application products in line with ESG and carbon reduction trends. Considering the ease of talent expansion and recruitment, it is expected that an innovative R&D center will be built within 10% of NT\$1.385 billion.

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

V. Investment policies, profit/loss analysis and improvement plans in the most recent fiscal year, as well as investment plans for the coming fiscal year.

(I) Investments whose amounts exceed 5% of paid-in capital at the end of 2025:

Item	Remark	Amount (NT\$ thousands)	Policy	Main reasons for profit or loss	Improvement plan	Other investment plans in the future
CTCI Corporation		1,005,486	Investment Diversification	Steady growth in overall performance, and hence continuously profitable	None.	—
Fujian Gulei Petrochemical Co., Ltd.		1,303,125	Petrochemical investments	Due to high raw material acquisition costs, difficulty in passing on price increases to downstream products, and insufficient margins, the Company incurred losses.	None.	—

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



VI. Risk Analysis and Evaluation

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

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

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

1. Implementation or Responsible Unit: Finance Division.

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

Item	2025 (NT\$1,000; %)
Net interest income (expense)	(104,446)
Net currency exchange gain (loss)	(210,360)
Ratio of net interest income (expense) to net revenue	(0.24%)
Ratio of net interest income (expense) to net profit before taxes	1.49%
Ratio of net currency exchange gain (loss) to net revenue	(0.48%)
Ratio of net currency exchange gain (loss) to net income before taxes	3.00%

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

	As of December 31, 2025 (NT\$1,000)
Fair value interest rate risk	
- Financial assets	7,498,763
- Financial liabilities	10,221,913
Cash flow interest rate risk	
- Financial assets	2,139,324
- Financial liabilities	10,604,726

An increase or decrease of 0.5% in market interest rates is used as a reasonable risk assessment for reporting changes in interest rates to the Company's senior management team. With all other variables remaining unchanged, an increase or decrease of 0.5% in market interest rates will lead to an increase or decrease of NT\$42,327 thousand in the Company's net loss before taxes in 2025.

4. Exchange rate: The sensitivity analysis for foreign currency exchange risk is mainly calculated based on foreign currency monetary projects as at the end of the reporting period (mainly the US dollar and Renminbi items). When the Company's functional currency appreciates/depreciates against U.S. dollar and RMB by 3%, the Company's net loss before taxes in 2025 will increase/decrease by NT\$80,596 thousand.

5. Inflation: The prime cost of the Company is the cost of raw materials; the price of the product fluctuates in the same direction as the cost of raw materials.

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

1. Implementation or Responsible Unit: Finance Division.

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

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

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3. Endorsement and guarantee: Ensure to implement the prior evaluation and subsequent follow-up according to the Company's endorsements and guarantees procedures.
4. Derivative trading: The Company engages in derivative commodity trading for the purpose of avoiding operational management risks. The trading commodities are mainly undertaken as forward foreign exchange and speculative operations are not involved. In addition, the counterparties should choose reputable financial institutions to avoid credit risks.

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

1. Executive and responsible unit: Research and Development Division.
2. The plans are as follows:

Unit: In Thousands of New Taiwan Dollars

Research and Development Plan	Current progress	R&D expenditure that requires investment	Estimated time for the completion of mass production	Main factors affecting the success of R&D in the future
High-VA, Low-MI for W&C (Wire & Cable) Applications	85%	5,000	2027	Equipment, formulas, and process technology
Production of Low-Gel Coating-Grade EVA (V18161) on Line 4	20%	4,000	Quarter 4 of 2026	Cultivation of R&D talent, technology inheritance, sufficient market intelligence, and addition of necessary equipment
Functional Shoe Midsole Material Development	70%	5,000	2026	Equipment, formulas, and process technology
Development of High-Heat Resistant, Low-Stress CBC	50%	15,000	2027	Equipment, formulas, and process technology; expansion into low-stress optical and electronic applications
Fire-Resistant Coating Development	50%	5,000	2026	Equipment, formulas, and process technology
Fire-Resistant Masterbatch Formula Development	50%	8,000	2026	Equipment, formulas, and process technology
Thermal Insulation Coating Development	60%	8,000	2026	Equipment, formulas, and process technology
Development of High-VA, Low-MI EVA Products	60%	5,000	2028	Cultivation of R&D talent, technology inheritance, sufficient market intelligence, and addition of necessary equipment
Negative Carbon Materials (Biochar Products)	0%	1,000	Before the end of 2026	Raw material formulas and process conditions
TPO Antistatic Transparent Film	50%	500	Before the end of 2026	Equipment, formulas, and process conditions
Non-PVC Adhesive Tape Fabric	25%	500	Before the end of 2026	Raw material formulas and process conditions
TPO Release Film (Leather)	25%	500	Before the end of 2026	Raw material formulas and process conditions
Low-Ammonia Foaming Soft Leather	25%	500	Before the end of 2026	Raw material formulas and process conditions
Antimony Oxide Replacement Formula (Tape Products)	25%	500	Before the end of 2026	Raw material formulas
TPU Running Belts / Conveyor Belts	25%	500	Before the end of 2026	Raw material formulas and process conditions
PVC Cooling Release Film	75%	300	Before the end of 2026	Raw material formulas and process conditions
PVC Low-Smoke Flame-Retardant Leather	75%	300	Before the end of 2026	Raw material formulas and process conditions
Antimony Oxide Replacement Formula (Leather Products)	75%	300	Before the end of 2026	Raw material formulas
Replacement for Imported Cooling Color Pastes	75%	300	Before the end of 2026	Raw material formulas
TPO Garden Hose	75%	300	Before the end of 2026	Raw material formulas

Research and Development Plan	Current progress	R&D expenditure that requires investment	Estimated time for the completion of mass production	Main factors affecting the success of R&D in the future
TPE Single-Material Solution (Sneakers)	50%	300	Before the end of 2026	Raw material formulas and process conditions
Inkjet Printing Leather	25%	300	Before the end of 2026	Process conditions
Integrated Cushion Leather (Water-Repellent Fabric Surface)	25%	300	Before the end of 2026	Coating formulas and process conditions
Analysis of Additive Counterparts Using 30L PVC Polymerization Test Tank	50%	30	Before the end of 2026	Formulas and process conditions
New Formula for 30L Test Tank	50%	30	Before the end of 2027	Formulas and process conditions
Gloss Improvement of ABS (PBDL Polymerization Formula Development)	60%	1,000	Quarter 3 of 2026	Processing hardware and equipment
TAIECOR PIR ABS ESG Material Product Application Development	80%	1,000	Quarter 3 of 2026	Market demand strategic layout
High-Value SAN Brand Application for Water-Contact Materials	40%	600	Quarter 3 of 2026	Brand supply chain
GPPS Product Application Development for Drinking Water Materials	80%	500	Quarter 3 of 2026	Market demand strategic layout
Iron Core for AI Server Applications	Sample fabrication and testing	10,000	December 2026	Brand supply chain
Development of New Extrusion Forming Technology	Product testing and validation phase	10,000	December 2026	Market demand strategic layout
SiC (Silicon Carbide) Ceramic Powder and Parts	Sample delivery and testing	25,000	December 2026	Brand supply chain
Development of AlN (Aluminum Nitride) Materials	Product testing and validation phase	150,000	December 2026	Server power supply market applications

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

1. Implementation or Responsible Unit: All relevant units.

2. Impact on financial operations:

- (1) Please refer to Chapter V in this annual report: the third section of "Information Regarding Environmental Protection Expenditure" indicated in "Operations Overview" In response to the European Union's Restriction of Hazardous Substances Directive (RoHS).
- (2) Continuously assess the impact of IFRSs issued by IASB but not yet approved and issued in effect by FSC. amendments to IFRS 10 and IAS 28 concerning Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, IFRS 18 Presentation and Disclosure in Financial Statements, and IFRS 19 Subsidiaries without Public Accountability: Disclosures, and amendments to IAS 21 relating to The Effects of Changes in Foreign Exchange Rates in Hyperinflationary Economies.
- (3) Continue to assess the impact of changes in water restrictions, electricity prices, power outages, and various countries' tariff and trade barrier policies on the Company.
- (4) Continue to assess the impact of the European Union's Carbon Border Adjustment Mechanism (CBAM), as well as Taiwan's carbon pricing, levies on carbon taxes and fees, and drafting of the Climate Change Adaptation Act.
- (5) Continue to assess the impact of the CFC system, changes in the Hong Kong tax system, and implementation status of the Global Minimum Tax.

3. Response measures: The Company has established the Legal Division to assess legal risks and formulate countermeasures, review important contracts and relevant



- legal documents and warn of risks in advance, and provide legal advance to handle legal affairs where necessary in order to reduce default risk and losses. In addition, the Accounting Division assesses the changes in accounting and tax-related laws and regulations, and evaluates the effects of such changes on the Company's financial operations and formulates related response measures. Besides, discussions are held with CPAs to make prior planning for related changes.
- (V) Impact of changes in science and technology (including information security risk) as well as industry on the Company's financial operations and countermeasures:
1. Executive and responsible unit: Sales and Marketing Division and Information System Division
- Please refer to V. Business Description (1), Industry Overview (2), and VI. Information Security Management (2) Information Security Risks and Countermeasures.
- (VI) Impact of changes in corporate image on corporate crisis management and countermeasures:
1. Executive and responsible unit: Human Resource Division.
 2. The Company has always adhered to upright and down-to-earth management, sound financial operations and good product quality, and has garnered positive reviews from the industry. In the event of a crisis, the Company not only will submit report according to its organization system, but can also obtain help from external organizations to help overcome the crisis.
- (VII) Expected benefits and possible risks to engage in mergers and acquisitions and countermeasures:
1. Executive and responsible unit: Planning Department/Finance Division.
 2. There was no merger and acquisition implemented by the Company in the most recent fiscal year up to the publication date of this annual report.
- (VIII) The Expected Benefits and Possible Risks to Expand the Plants and the Countermeasures:
- There are no plant expansion plans for the Company in the most recent fiscal year up to the publication date of this annual report.
- (IX) Risks faced with concentrated procurement and sales, and countermeasures:
1. Executive and responsible unit: Material Planning Division, Sales and Marketing Division.
 2. The Company has decentralized global sources of goods and purchased goods in multiple pricing modes to avoid specific centralized sources.
 3. Part of the purchase volume of spot goods will be set aside, and purchases will be made according to the spot market and production needs, whichever is better.
 4. The Company focuses on studying information of the petrochemicals and plastics market and strengthening production, sales, and procurement business strategies to maximize profits, to minimize risks associated with over-concentration in purchase or sale.

- (X) Effects and risks resulted from major equity transfer or replacement of directors, supervisors, or shareholders holding more than 10% of the Company's shares, and related response measures:
1. Implementation or Responsible Unit: Finance Division.
 2. There was no such situation at the Company in the most recent fiscal year up to the publication date of this annual report.
- (XI) Effects and risks related to any changes in management control in the Company, and related response measures:
1. Executive and responsible unit: Board of Directors.
 2. There have been no changes in management control at the Company in the most recent fiscal year up to the publication date of this annual report.
- (XII) Litigation or non-litigation events should be listed as significant litigation, non-litigation or administrative events that have been determined or are still pending by the Company, its directors, supervisors, general manager, principals, major shareholders holding more than 10% of the shares, and subsidiaries, and the results of which may have a significant impact on shareholders' interests or securities prices, and should disclose the facts of the dispute, the subject matter of the litigation, the date of commencement of the litigation, the major parties involved, and the handling of the case up to the date of the publication of the annual report:
1. Executive and responsible unit: Legal division.
 2. Significant litigious, non-litigious or administrative disputes that have been decided or are still pending in the most recent fiscal year up to the publication date of this annual report:
 - (1) The Company: None.
 - (2) Directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10% of the Company's shares: None.
 - (3) Subsidiary:

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

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



Committee.

Subsequently, on August 12, 2024, the Miaoli County Environmental Protection Bureau issued another administrative disposition, determining that an additional air pollution control fee (APCF) of NT\$38,932,598 should be paid. CGPC filed another administrative appeal against this disposition, but the appeal was rejected by the EPA's Petitions and Appeals Committee. CGPC then initiated an administrative lawsuit against the appeal decision. The Taichung High Administrative Court ruled that CGPC should pay an amount of NT\$28,940,296, which is NT\$9,992,302 less than the amount determined in the appeal decision. After discussions with the appointed lawyers, it was concluded that the benefits of appeal are minimal and the reasons for appeal are insufficient, with the potential risk of overturning existing litigation outcomes. Therefore, it was decided not to file an appeal. Meanwhile, the Miaoli County Government has filed an appeal against the judgment.

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

CGTD reached an agreement with the Kaohsiung City Government on February 12, 2015 to provide pledged bank deposit worth NT\$238,306 thousand (including interests) to the Kaohsiung City Government as guarantee for the losses suffered during the gas explosion disaster. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. In addition, Taiwan Power Company applied to the court to execute provisional attachments on the properties of CGTD on August 27 and November 26, 2015, respectively. CGTD has provided a cash deposit of NT\$99,207 thousand to the court to avoid the provisional attachments. Taiwan Water Corporation applied to the court to execute provisional attachments on the properties of CGTD on February 3 and March 2, 2017, respectively. As of March 31, 2026, the property value impounded against CGTD amounted to NT\$6,401 thousand.

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

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

As of March 31, 2026, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against LCY Chemical Corp., CGTD, and CPC Corporation for compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of NT\$46,677 thousand and settled for a

compensation amount of NT\$4,519 thousand instead. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is NT\$3,831,211 thousand. The first-instance judgments of some of the above mentioned civil cases (with a total amount of compensation of approximately NT\$1,616,883 thousand) have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp., and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp., and the other defendants are liable for was approximately NT\$489,861 thousand, of which the court ruled an exemption for CGTD in the amount of NT\$6,194 thousand.

In civil cases where a first-instance judgment has been rendered without reaching a settlement and have been appealed to the second instance since July 10, 2024, until March 31, 2026, a total of nine second-instance judgments for compensation claims filed by the Kaohsiung City Government (with a claimed amount of approximately NT\$1,137,677 thousand) have been rendered. Among them, eight cases held that CGTD and LCY are jointly and severally liable for 10% (in five cases) or 20% (in three cases) of the negligence. The total compensation for which CGTD is held jointly liable with LCY amounts to NT\$79,726 thousand. In one additional case, CGTD was deemed solely liable for 10% of the negligence, with a compensation amount of NT\$297 thousand. Furthermore, in the second-instance cases filed by the Taiwan Power Company (claim amount: NT\$265,822 thousand), the National Health Insurance Administration (claim amount: NT\$35,688 thousand), and Taiwan Water Corporation (claim amount: NT\$28,643 thousand), the court ruled that CGTD and LCY are jointly liable for a compensation totaling NT\$120,143 thousand. For all second-instance cases where a third appeal is permitted, CGTD has filed appeals to the Supreme Court. Other cases, with a total claimed amount of approximately NT\$1,711,504 thousand, remain pending before the first-instance courts.

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

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

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

The Group's 9 domestic core production plants continue to implement ISO 14064-1 greenhouse gas inventory and verification, and have planned to implement carbon reduction plans. The Group has also actively developed external renewable power plants. As of the 2025, the cumulative generation capacity of solar power plants



reached 9 MW. The Company has formulated its carbon reduction roadmap in alignment with the Group's 2030 decarbonisation target. As of 2025, greenhouse gas emissions have decreased by 25% compared to the base year (2017). Moving forward, the Company will intensify its efforts in implementing energy-saving and carbon-reduction initiatives, improving energy efficiency, adopting renewable energy, and utilising low-carbon fuels to achieve its carbon reduction goals and promote sustainable development.

The Sustainability Council is the Company's highest-governing body for climate change management. It is chaired by an Independent Director and assesses matters of climate change strategies and targets, climate change risk management, opportunity initiatives, and current implementation statuses, and reports to the Board of Directors every year. The Company has adopted the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities. These are assessed across various departments, with evaluations of potential financial impacts and the formulation of corresponding response plans. A comprehensive reassessment is scheduled every three years, with annual reviews and updates. Became one of the 1,846 companies worldwide that support TCFD in November 2020. Since 2018, the Company has participated in the Earth Hour initiative by turning off non-essential lights for one hour annually. In April 2022, it joined the Carbon Neutrality Alliance, and in August of the same year, it signed the Net Zero Emissions Declaration initiated by the Taiwan Chemical Industry Association (TCIA). In 2025, the Company received a "B Management Level" rating in both the Climate Change and Water Security assessments conducted by CDP.

1. For governance, strategy, risk management, metrics, and targets related to climate-related risks and opportunities, please refer to Appendix 2-2-3.
2. The Group's companies continue to invest in innovative materials and products to reduce the impact of climate change.

(1) ISO 14021 certified international recycled products:

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

(2) Aligning with the EU market: The ViviOn™ 8210 series has obtained Germany CHI soft packaging recyclability certification:

The ViviOn™ 8210 series not only helps enhance the stiffness and tearability of PE/PP flexible packaging, but it is also verified to meet the recyclability certification for entry into PE/PP flexible packaging systems. Enable packaging formula designers to no longer compromise between "performance" and "environmental protection." They can

confidently use ViviOn™ to optimize a single-material formula for PE/PP flexible packaging systems, developing green packaging that complies with EU regulations and possesses commercial competitiveness.

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

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

The Company reports the implementation status of risk management to the Audit Committee and the Board of Directors at least once a year, and discloses such information on the annual report and the Company's website. On November 10, 2025, the Company reported to the Audit Committee and the Board of Directors on the operation of risk management in 2025 and presented the key execution plan for risk management in 2026. The management policies or strategies to various risks at this stage are as follows:

Risk Categories	Risk Profile	Risk Management Policy or Strategy
Financial risks	Risk of interest rate changes	<p>Macroeconomic and Financial Strategies Amid Easing Global Inflation and Expected Rate Cuts by Major Economies:</p> <ol style="list-style-type: none"> 1. Short-Term Funding Needs: Closely monitor changes in the Central Bank of the Republic of China (Taiwan)'s interbank overnight rate and interest rates of negotiable certificates of deposit across various maturities. Adjust borrowing tenors accordingly to optimize financing costs while ensuring sufficient short-term liquidity to meet operational demands. 2. Medium- to Long-Term Funding Needs: Secure medium- to long-term credit facilities from financial institutions. Plans are also in place to increase the proportion of floating-rate borrowings to mitigate the risks associated with declining interest rates. <p>Maintain prudent control over borrowing limits based on actual needs, and adjust the ratio of short- to medium-/long-term debt accordingly. Keep the utilisation rate of approved credit facilities below 50% to strengthen the overall financial structure and reduce exposure to interest rate volatility.</p>
	Risk of exchange rate changes	With the U.S. Federal Reserve entering a rate-cutting cycle and ongoing geopolitical risks contributing to heightened volatility in global currency markets, the Company's general policy is to fully hedge its net foreign exchange exposure. However, when market movements clearly favour the Company, hedge ratios may be flexibly adjusted within a manageable risk scope.
	Risk of property loss	The Company has purchased various property insurances based on the size of the Company's business assets and replacement costs to transfer risks to insurance company appropriately.
	Risk of endorsement and guarantee	The Company provides endorsements and guarantees only for wholly owned subsidiaries, helping to reduce their funding costs and enhance financial flexibility. They are consistent with the Company's current operational strategies and whether the risks the Company bears are under the tolerable level by the Company.
	Risk of accounts receivable	For domestic customers, the Company is strengthening the provision of tangible collateral and requiring joint guarantors with strong financial standing. For export clients, efforts are being made to raise the coverage of accounts receivable insurance or to insure letters of credit. Alternatively, sales may be conducted on a "documents against payment" basis, releasing

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Risk Categories	Risk Profile	Risk Management Policy or Strategy
		shipping documents only after payment is received. For customers with overdue payments, deliveries are suspended while causes of delay are investigated. Where necessary, the Company will initiate protective legal measures, such as applying for provisional attachment of the customer's assets. Customer operations and financial statements are regularly reviewed in meetings. For accounts exhibiting signs of risk, recommendations include suspending deliveries or reducing credit exposure.
Risk of strategy and operation	<ul style="list-style-type: none"> • Risk of strategy and operation • Industry risk • Investment Risks 	<ol style="list-style-type: none"> 1. The Company's Sustainability Council identifies material issues and formulates short-, medium-, and long-term targets for each, with regular performance evaluations. 2. In March and August, the operating units of the Company held the respective meetings of the Board of Directors and the Sustainability Council and completed their CSR report, which covers the strategic planning, annual plan, special plan and other issues.
Risk of material prices and supply chains	Change in material prices	The contract pricing Content includes multiple factors, and the sources are diversified into domestic, Japanese, and Korean supplies, with flexibility in contract quantities.
	Material inventory and logistics management	Sign stable domestic and international contracts while maintaining quantity flexibility to meet factory demands. Quarterly adjustment of contract quantities can effectively reduce inventory risks. Once the storage tanks are complete, they can effectively mitigate the risk values associated with early or delayed ship arrivals.
	Production equipment spare parts planning	According to routine risk control execution, in response to the supply shortages of essential materials and delays in international sea/air freight caused by the effects of war, we continue to remind requesting units to increase the inventory of essential spare parts and submit requisitions in advance. Regular follow-ups on purchase orders, payment schedules, and supplier delivery dates are carried out. For important parts within the plant that need to be replaced early for safety reasons, early delivery has been negotiated with suppliers this year. For suppliers facing material supply risks, discussions and strategy development with requisitioning units are ongoing, including efforts to identify and qualify new domestic or regional suppliers in Asia to minimize the risk of supply disruptions.
Occupational safety risk	Occupational accidents of employees and contractors in the operation process	<ol style="list-style-type: none"> 1. Kaohsiung Plant promotes ISO-45001 Occupational Safety and Health Management System, arranges regular internal audits and completes the external audit in April, and improves and follows up on the audit observations with good results. Continue to implement the process safety management system (PSM) project, and conduct PSM education and training to strengthen occupational safety and health management. 2. <ol style="list-style-type: none"> (1) Contractors participate in environmental safety and health education and training before entering the plant. Through continuous training, advocacy, and setting of requirements, contractors are urged to comply with various safety and health regulations and achieve the goal of zero accidents. (2) Security guards supervise the entry of contractors into the plant and manage vehicle control, conduct alcohol testing operations in a timely manner, and ensure the safety status of people and vehicles entering the plant. (3) Ensure the contracting work environment and hazard notifications, and arrange work safety meetings as well as protocol meetings. Strengthen the toolbox meeting for the management of each work permit; announce and explain the contents of operations, potential hazards of the working environment, and safety protection and regulations; and complete the safety inspection of on-site construction equipment and tools. (4) The Labor Safety Section conducts inspections for various operations on site every day to reduce the occurrence of unsafe conditions and behaviors on site. 3. <ol style="list-style-type: none"> (1) Every year, the Kaohsiung Plant legally holds relevant workplace safety and health licenses, organizes incumbent training, identifies laws and regulations related to the plant contained in the new announcement, and reports them to the quarterly meeting of the Environmental, Safety and Health Management Committee. (2) The 2025 YEAR safety and environmental promotion and training program was implemented, including auditor training courses, Preliminary Hazard Analysis (PrHA), Procedure HazOp method for hazard analysis education and training, HAZOP process hazard analysis procedures and key points, and accident and false alarm investigation procedures, all aimed at enhancing staff expertise in safety and environmental protection. 4. The Company adheres to safety and health management rules, process hazard analysis guidelines, safety, health, fire and environmental management education and training guidelines, occupational safety and health hazard identification and opportunity assessment and control management guidelines, various operating standards, and emergency response plan guidelines, etc. 5. The Engineering Department and the production units have thoroughly performed preventive equipment repair and PDA inspection. 6. In 2025, the Kaohsiung Plant conducted two emergency response and fire drills, one planned emergency response to toxic chemical substances, two emergency response drills on toxic chemical substances without warning, and also conducted two emergency response equipment trainings to strengthen personnel emergency response. 7. The Group is scheduled to hold the 2025 Group Plant Technical Case Presentation on October 28, 2025, encouraging plants to continue to implement and improve industrial safety and environmental protection, equipment pre-warranty, energy saving, and carbon reduction through the presentation of case studies and the selection of outstanding awards.

Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<ol style="list-style-type: none"> 8. Each month, the Group compiles statistics on the number of serious occupational injuries (disabilities) and the cumulative number of safe workdays for each plant. Plants reaching 1,000 cumulative safe days are awarded a merit trophy and publicly recognized. As of the end of August 2025, USI Kaohsiung Plant recorded 922 safe days. 9. Monthly statistics are also compiled regarding government occupational safety inspections, inspection details, and safety violation fines across all Group plants. These are shared as learning references. USI Kaohsiung Plant had none as of the end of August 2025. 10. In accordance with the Group's annual safety and environmental audit plan, a compliance audit covering occupational safety, health, environmental protection, and fire safety is scheduled to be conducted at the Kaohsiung Plant from October 30 to 31, 2025. 11. We organize annual professional safety and environmental training sessions for both southern and northern regions. The southern session was held on April 23, 2025, at Delta's Linyuan Plant. The courses include occupational accident prevention strategies, total industrial safety for all employees, practical work permit systems (PTW), and Layer of Protection Analysis (LOPA). Through continuous training, we aim to enhance the professional competencies of safety and environmental personnel at each plant. 12. At the beginning of each month, we disseminate the CCPS Process Safety Beacon e-newsletter to all Group plants. Mid-month, we share a dedicated process safety column from the petrochemical industry magazine, encouraging learning from historical incidents to enhance process safety awareness. 13. For major occupational injury (disability) cases occurring domestically and internationally, we compile a one-page bulletin highlighting key lessons and precautions, which is shared across the Group to help prevent similar accidents. 14. Quarterly, we convene a resource integration meeting for the southern plant region. During these meetings, the Environmental Protection Office's Department of Industrial Safety and Environmental Protection and the Southern Plant Region Safety and Environmental Resource Integration Task Force present routine progress reports to facilitate communication on ongoing safety and environmental initiatives. Meetings for the first two quarters of 2025 were held on March 24 and June 26 at USI's Linyuan Plant, with the third quarter session scheduled for October 17. 15. On March 28, 2025, the "2024 USI Group Internal Major Occupational Incidents Compilation" was prepared for distribution and educational use at each plant. It was also uploaded to the Group's WSS Information Management Platform by the Environmental Safety Department for access by all plants at any time (knowledge management). 16. Professor Wu Rongping from the Central Police University and Captain Yang Zhikai from the Linyuan Fire Brigade in Kaohsiung are invited to hold the "2025 USI Group Fire Safety Seminar" on May 8, 2025, at the Asia Polymer Linyuan Plant. This event aims to enhance each plant's fire prevention efforts through the sharing and exchange of rich experiences from scholars and experts. 17. The "USI Group Safety Culture Self-Assessment Form" was prepared and provided to each plant on April 24, 2025, allowing them to conduct self-assessments to understand their current level, and implement improvements in areas lacking, in order to establish a robust safety culture. Ultimately, all plants aim to achieve the Group's goal of "zero occupational incidents." 18. Aligned with the Group's safety philosophy—"Employees' safety after work matters just as much"—in addition to creating a one-page promotional document titled "Home Safety Protection Guidelines," we have progressively prepared the "Travel Safety Precautions" on August 4, 2025, the "Office Safety Precautions" on August 19, 2025, and the "Home Safety Precautions" on August 22, 2025, to be communicated to employees at each plant.
Information Security Risk	Security protection of information maintenance and operating systems, production industrial control systems, sensitive data, and customer transactions	<ol style="list-style-type: none"> 1. A professional cybersecurity consulting firm is commissioned to conduct social engineering drills every six months. Employees who fail the test receive targeted cybersecurity education and follow-up assessments. Employees from the IT Operations Team undergo biannual cybersecurity training and evaluations to bolster the cybersecurity awareness of the company's staff. 2. Personnel are routinely dispatched to plants to inspect OT (Operational Technology) computers, carry out asset inventories, enhance cybersecurity controls, and implement USB port lockout measures to reduce risks from external devices. 3. Each year, ISO-certified information security consultants are commissioned to assist the IT Operations Team in conducting security audits, reinforcing internal cybersecurity controls, and reviewing all operational security processes. Two vulnerability scans on servers are carried out annually, followed by the implementation of corresponding remediation measures. 4. The unit responsible for executing information business transactions commissions ISO professional security consultants to conduct security health checks on the IT environment, performing packet traffic collection and analysis on equipment such as server hosts, client computers, and core network switches. 5. The information business execution unit annually invites a globally recognized certification body to conduct ISO 27001 certification audits and has passed the ISO 27001 certification. In June 2025, it achieved the ISO 27001:2022 upgrade verification. The internal audit department also performs two independent cybersecurity audits each year.

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



Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<ol style="list-style-type: none"> 6. Antivirus software is installed on public computers to prevent virus intrusion. Endpoint protection software is deployed on computers for critical business transactions and high-risk personnel, enabling real-time detection of abnormal behaviors and automatic blocking and isolation. 7. We continuously update our external firewalls' firmware and security protection suites to ensure the most up-to-date defense against cyber threats. Annual disaster recovery and backup drills are conducted to enhance firewall resilience and ensure operational continuity. 8. Using next-generation firewalls, we enforce access control list (ACL) rules to block suspicious connections from specific IP addresses or ports and utilize DDoS protection features to monitor and filter abnormal traffic, thereby minimizing the impact of external attacks on company services. 9. The Group periodically implements the disaster recovery drill for important systems, and reinforces system recovery speed and capacity. In case of a disaster, we aim to quickly recover to normal operational status and ensure the Group's sustainable operational capacity. 10. Introduce the email Multi-Factor Authentication (MFA) mechanism, with compulsory enforcement especially for accessing email outside of the company intranet or office premises, to effectively reduce the risk of unauthorized access and enhance security for remote logins. 11. Following the guidance of the Financial Supervisory Commission, we have established a dedicated cybersecurity unit, appointing specialized managers and staff responsible for planning, overseeing, and executing cybersecurity management and governance. 12. To safeguard critical information assets, we deploy two heterogeneous endpoint detection and response (EDR) solutions as a complementary defense mechanism against cyber intrusions. 13. For our corporate website, we have adopted third-party cybersecurity exposure services that utilize non-intrusive public data collection, honeypot mechanisms, and integrated threat intelligence. Combined with vulnerability scanning engines, these tools provide external risk assessments, continuous monitoring, and vulnerability remediation.
Legal risk	Compliance risk	<ol style="list-style-type: none"> 1. In 2025, the Legal Division provided timely written and oral consultations as well as response suggestions regarding those legal questions advanced by different user units, and ensured that the activities of the Company complied with legal provisions. 2. The Company conducted overall assessment and researched relevant overall solutions in relation to the latest important laws and policies at home and abroad (such as the Commercial Event Trial Act, the Company Act and the Securities and Exchange Act) to provide related people of the Company for reference at an appropriate time. 3. When necessary, the Company will solicit opinions from competent authorities or external parties to confirm whether relevant legal opinions are appropriate. 4. Operations proceeded smoothly in 2025.
	Transaction risk	<ol style="list-style-type: none"> 1. The Legal Division accepts the preparation and review of legal documents related to various transactions, fully understands the background fact, our stance and contracting purpose through individual discussion or meeting and provides appropriate and feasible suggestions to promote the completion of transaction while ensuring the Company's interests and avoid the derived default risk and liability. 2. Pursuant to regulations of the Company, special person is designated to manage and use the seals of the Company, and the Legal Division requires the clarification or supplement of noncompliant legal or contractual documents to well perform the management responsibility. 3. Operations proceeded smoothly in 2025.
	Dispute resolution	<ol style="list-style-type: none"> 1. The Legal Division adheres to the following principles in managing litigation cases: <ol style="list-style-type: none"> (1) It holistically considers the resolution process, manpower, time and cost requirements, finality of outcomes, and feasibility of enforcement, in order to formulate appropriate dispute resolution strategies. (2) A thorough understanding of the facts is established, followed by the development of robust litigation or negotiation strategies, supported by compelling evidence and credible witnesses. (3) External professional opinions are solicited when necessary, and qualified legal representatives are engaged to ensure effective cost control. 2. In 2025, legal consultation and support were provided for three personnel litigation cases handled by the Human Resources Department (all involving the same employee).
	Awareness and behavior of compliance	<ol style="list-style-type: none"> 1. Participate in educational and training events organized by competent authorities or external institutions, timely remind and reinforce legal risk awareness among colleagues of different departments through individual discussion, meeting discussion or opportunity when the legal assistance is provided, internalize the awareness in the daily working behaviors of colleagues, thereby reducing the risks of the Company. 2. Operations proceeded smoothly in 2025.

Risk Categories	Risk Profile	Risk Management Policy or Strategy
Human resources risks	Risk of Talent Shortage – Insufficient Workforce Supply:	<p>1. Risk of talent supply shortage (Talent Shortage): Diverse recruitment and industry-academia collaboration to expand talent sources: Recruit talent through campus recruitment, online recruitment platforms, ESG websites, and the Company's official website, while establishing industry-academia relationships with domestic and international universities and colleges. In 2025, the group participated in job fairs at 5 universities, reaching over 2,000 students. More than 20 people participated in the industry-university internship program in 2025, combining with the pre-employment mechanism to enhance the group's brand visibility. In 2025, a total of 3 individuals were converted to full-time positions and 7 to assistant positions, expanding the talent supply.</p>
	Risk of significant increase in labor costs - backlog risk	<p>2. Risk of talent retention (Talent turnover): (1) Design of Diverse Training Courses and AI Empowerment to Enhance Employee Skills: According to differences in "course type," "common scope," and "training target," the group designs various courses; the achievement rate for new employee physical and digital education training is 100%. In 2025, the Group emphasizes the improvement of work efficiency through generative AI, promoting the Generative AI Workshop to Reskill and Upskill employees from 15 units.</p>
	Stability Risk – Risk of Employee Turnover:	<p>(2) Improve the promotion system to build a talent pipeline: Strengthen talent pipeline construction by establishing an annual promotion nomination system and Talent Development Committee, reviewing outstanding employee promotion plans every July. In the 2025 year, USI promoted 39 people (accounting for 9%), achieving development aligned with "right talent, right personality, right position," thereby enhancing organizational vitality and competitiveness.</p>
	Compliance risk	<p>(3) Implement a succession system: When employees retire, successors are designated, and the company continues to implement the succession system and related training. For plant successors, horizontal training is promoted to ensure that key talents possess expertise in both professional fields and production processes, enhancing flexibility in talent allocation.</p> <p>(4) Labor relations maintenance: In 2025, four labor-management meetings were held. Continuous daily communication was maintained with employees and the labor union through non-scheduled meetings to uphold a strong labor-management relationship.</p> <p>(5) Establish a competitive compensation system: The company establishes a market-competitive compensation system, participating annually in salary surveys of the petrochemical industry and external sources (such as Mercer, 104, and Far Eastern New Century). The regulations clearly specify the annual employee compensation allocation ratio, allowing employees to share in the operational outcomes based on the company's actual profitability, encouraging long-term contributions and promoting mutual growth.</p> <p>(6) Introduce the EAP (Employee Assistance Program) to strengthen psychological support for employees: Introduce the Employee Assistance Program (EAP) to provide professional and confidential consultation services. Employees can consult one-on-one with qualified psychologists via telephone, email, or LINE to help clarify issues, relieve stress, and enhance psychological resilience. In 2025, a total of 63 instances of EAP consultation services were used across the entire Group (not broken down by company due to confidentiality), and the system has gained the trust of employees.</p> <p>3. Legal Compliance Risk: (1) Strengthen ethical corporate management, implement the Code of Conduct: The Company has established the "Code of Ethical Conduct" and the "Procedures and Guidelines for Ethical Business Practices." At the group level, regulations include the "Code of Ethical Conduct for Directors and Managers" and the "Guidelines on Employees' Outside Employment." In 2025, the pass rate for the employee code of conduct test was 100%, and there were no violations within the group.</p> <p>(2) Legal Compliance Supervision Mechanism: An external legal advisory team specializing in labor law serves as the company's legal consultant, providing legal guidance. Designated personnel regularly examine the execution of HR SOPs, benchmarking new legal amendments, and providing timely updates.</p> <p>(3) Establish a whistleblowing and appeal system: The Company has established the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct." Multiple whistleblowing channels are provided, encouraging employees and external stakeholders to report illegal, unethical, or dishonest conduct through the Company website and the telephone whistleblower hotline at the Audit Office. Reaffirming the Group's zero-tolerance stance towards unlawful infringements, a dedicated sexual harassment prevention and unlawful infringement prevention complaint mailbox, email, and whistleblower hotline have been established. All cases have designated personnel assigned to handle them in accordance with confidentiality principles to protect the rights of the complainant.</p> <p>(4) There were no related violations or reports of illegal incidents in 2025.</p>

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Risk Categories	Risk Profile	Risk Management Policy or Strategy
Research and development risk	<ul style="list-style-type: none"> • Product technology risk (R&D information may fall into the hands of competitors, and R&D personnel may be poached by competitors, causing leakage of R&D results) • Market Risks (Customers adjust their demands or market conditions change, causing product development to fall short of expected goals) 	<ol style="list-style-type: none"> 1. All R&D-related development data is uploaded to the WSS system for data retention, tracking, and access management. USB slots on work computers can only be accessed with identity-restricted USB to enhance the security of data management. 2. Access permissions for each project database in the WSS system are regularly reviewed and updated. 3. The Company continues to focus on product development research and expanding into various application fields.
Environmental and Energy Resource Risk	<p>Environmental impact of carbon emissions from operating processes</p>	<ol style="list-style-type: none"> 1. Reference TCFD and international research reports to identify climate change risks and opportunities and devise major projects based on the likelihood of occurrence and impact, and report in the Environmental Management Committee to establish energy management plans, seeking potential opportunities and responses. 2. Following the Group's set energy management goals, participate in technical exchange meetings to promote energy saving and carbon reduction and improve energy efficiency. 3. In accordance with the Group's established energy management goals, ISO 50001 was implemented and energy management plans were proposed, with quarterly tracking of energy-saving and energy consumption. 4. ISO 50001 certification was completed on November 7, 2025, and the certificate remains valid. 5. Continuously monitor changes in policies and regulations related to energy and carbon management, identify relevant applicability, conduct regulatory audits, and actively participate in public hearings on new or amended regulations. 6. The Group has set a carbon reduction target for 2030 to reduce emissions by 27% compared to 2017 levels, and has established a long-term goal of achieving carbon neutrality by 2050. The USI Kaohsiung Plant completed six energy-saving projects in 2024, reducing carbon emissions by 2,897 metric tons CO₂e. Four energy-saving projects are planned for 2025. 7. The Group carried out the annual Group Plant Visit Plan for Energy Conservation and Carbon Reduction. From April 21 to 22, 2025, a visit was made to the Kaohsiung Plant to advocate energy conservation and carbon reduction trends and policies. Discussion at the meeting mainly focused on the analysis and improvement measures of major carbon emission and energy consuming equipments, energy efficiency measurement of equipments and improvement tracking of diagnostic results, energy saving and carbon reduction technologies promoted horizontally by the Group, and presently surveyed the improvement of compressed air and steam leakage, and thermal and thermal insulation wrapping, and regular follow-up tracking was implemented after the meeting. 8. The Group is scheduled to hold the 2025 Group Plant Technical Case Presentation on October 28, 2025, encouraging plants to continue to implement and improve industrial safety and environmental protection, equipment pre-warranty, energy saving, and carbon reduction through the presentation of case studies and the selection of outstanding awards. 9. In order to effectively manage energy performance, continuously improve and promote the establishment of the ISO 50001 energy management system in plants. At present, 9 USIG plants have passed the verification process. The Group will continue to carry out actions of energy conservation and carbon reduction in hopes of exerting an influence and reducing environmental impact. 10. Continue to pay attention to and grasp the changes in policies and regulations related to energy and carbon reduction, actively participate in public hearings on new (revision to) relevant laws and regulations such as the Climate Change Response Act, and evaluate the impact and response of changes in laws and regulations.
	<p>Environmental pollution caused by operating processes</p>	<ol style="list-style-type: none"> 1. The ISO 14001 environmental management system validation was completed in April 2025, and the certification remains valid. 2. We continuously monitor changes in domestic and international environmental regulations and actively participate in public hearings on new or amended environmental regulations through industry associations. 3. Each month, the Group compiles statistics on the number, content, and penalties of environmental inspections conducted by government agencies at each plant. These are distributed across the Group's plants for self-assessment and immediate corrective actions where similar issues exist, to continuously improve the Group's environmental performance. As of the end of August 2025, four environmental penalties were issued to the Kaohsiung Plant of the Taiwan Polypropylene Company. 4. Each quarter, the Group records the number of leaking VOC components across its petrochemical facilities to strengthen monitoring frequency and ensure timely repairs during the latest shutdowns. The Group aims for "zero detectable leaks", and as of July 28, 2025, the Kaohsiung Plant has maintained zero leaks.

Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<ol style="list-style-type: none"> 5. In accordance with the Group's annual safety and environmental audit plan, a compliance audit covering occupational safety, health, environmental protection, and fire safety is scheduled to be conducted at the Kaohsiung Plant from October 30 to 31, 2025. 6. We organize annual professional safety and environmental training sessions for both southern and northern regions. The southern session was held on April 23, 2025, at Delta's Linyuan Plant. The courses include occupational accident prevention strategies, total industrial safety for all employees, practical work permit systems (PTW), and Layer of Protection Analysis (LOPA). Through continuous training, we aim to enhance the professional competencies of safety and environmental personnel at each plant. 7. We have prepared a one-page promotional document and reminder notice regarding significant environmental accidents within the group and in domestic and international news. This is to be distributed to each factory within the group for awareness, aiming to prevent similar incidents from occurring. 8. We continuously monitor and track changes in domestic environmental regulations, such as the draft proposal by the Ministry of Environment to impose chemical substance operation fees. Through active participation in public hearings on new or amended environmental regulations organized by industry associations such as the Taiwan Petrochemical Association, we engage with the relevant authorities. 9. Continuously monitor the development of the United Nations Global Plastics Treaty draft (November 28, 2022), and proactively provide recommendations to relevant government units through industry associations such as the Taiwan Plastic Raw Materials Industry Association and the Taiwan Petrochemical Association.
Climate change risks	<ul style="list-style-type: none"> • Water resource management • Carbon neutral/Carbon tax 	<ol style="list-style-type: none"> 1. Conducts regulatory audits and compliance assessments in accordance with ISO 14001. 2. ISO-46001 Water resource efficiency management systems has been established, but not continuously certified. 3. Carbon fees are estimated monthly and provided to the accounting department for reference. 4. The carbon reduction volume for each quarter is calculated based on the environmental management plans. 5. The Group has set a carbon reduction target for 2030, aiming for a 27% reduction in carbon emissions compared to 2017 levels. The long-term goal is to achieve carbon neutrality by 2050. We are actively implementing corresponding response strategies and management mechanisms. Domestic production plants in the group continue to carry out ISO 14064-1 greenhouse gas inventories and verifications, and plan and execute carbon reduction measures. The group is also actively developing external renewable energy projects. By the end of 2024, the investment in solar energy projects had accumulated a grid-connected capacity of 8.6 MW, generating approximately 10.73 million kWh of green electricity annually. 6. The Group carried out the annual Group Plant Visit Plan for Energy Conservation and Carbon Reduction. From April 21 to 22, 2025, a visit was made to the Kaohsiung Plant to advocate energy conservation and carbon reduction trends and policies. Discussion at the meeting mainly focused on the analysis and improvement measures of major carbon emission and energy consuming equipments, energy efficiency measurement of equipments and improvement tracking of diagnostic results, energy saving and carbon reduction technologies promoted horizontally by the Group, and presently surveyed the improvement of compressed air and steam leakage, and thermal and thermal insulation wrapping, and regular follow-up tracking was implemented after the meeting. 7. The Group is scheduled to hold the 2025 Group Plant Technical Case Presentation on October 28, 2025, encouraging plants to continue to implement and improve industrial safety and environmental protection, equipment pre-warranty, energy saving, and carbon reduction through the presentation of case studies and the selection of outstanding awards. 8. To proactively respond to the government's carbon pricing policy, effectively address climate change, and reduce carbon risks, the Group introduced an internal carbon pricing mechanism in 2024. The price is based on the domestic carbon fee benchmark, initially setting the internal carbon price at NT\$300 per metric ton, with periodic reviews and phased adjustments planned. This mechanism aims to integrate carbon costs into corporate decision-making and investment evaluation processes, accelerate the implementation of reduction measures, and stimulate low-carbon investments. 9. Continue to pay attention to and grasp the changes in policies and regulations related to energy and carbon reduction, actively participate in public hearings on new (revision to) relevant laws and regulations such as the Climate Change Response Act, and evaluate the impact and response of changes in laws and regulations. 10. Reference TCFD and international research reports to identify climate change risks and opportunities and devise major projects based on the likelihood of occurrence and impact. 11. In response to the opportunity for energy transformation provided by climate change, the Group is actively planning for the on-site development of new energy sources. Solar photovoltaics will be the focus at the initial stage, after which other new energy opportunities will be researched and analyzed.
Risk of disasters and accidents	<ul style="list-style-type: none"> • Risk of not tracking and reviewing the causes of 	<ol style="list-style-type: none"> 1. The Company revised the methods for accident investigation and the investigation and management of false-alarm accidents, and reexamined the procedures for accident investigation, including both accidents and false-alarm accidents. Education, training, and

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



Risk Categories	Risk Profile	Risk Management Policy or Strategy
	accidents and improvement plans • Risk of operation and property/personnel loss • Risk of employee job hazard • Risk of operation interruption	drills were also held on accident investigation and analysis techniques in order to strengthen professional knowledge and skills for accident investigation. 2. Regularly track the progress internal and external audits to maintain the validity of ISO 14001 and ISO 45001 certificates. Continues to promote the strengthening of occupational health management and PSM. 3. Revisions were made to "Measures for Emergency Preparedness and Response Management" and "Emergency Response Plan and Procedures" in an effort to reassess the organization structure for emergency response organization and strengthen the reporting process for emergency response. The goal is that organizational members can be quickly mobilized in the event of an emergency and take correct actions to effectively control disasters and reduce losses. 4. In 2025, the Kaohsiung Plant conducted two emergency response and fire drills, one planned emergency response to toxic chemical substances, two emergency response drills on toxic chemical substances without warning, and also conducted two emergency response equipment trainings to strengthen personnel emergency response. Environmental safety and fire trainings are held in the quarterly safety meetings of each unit to enhance colleagues' environmental safety culture and knowledge. 5. The Repair section carries out the repair and maintenance of machinery and equipment according to the annual repair and regular maintenance plan. 6. The Company continues to take out public liability insurance, toxic chemical substance operators liability insurance, transportation insurance, and operation interruption insurance to reduce operational losses.
Technology risk	Risk of information security breaches arising from the adoption of new technologies, resulting in losses to the Group and employees	1. An annual inventory of SSLVPN user accounts is conducted, with the principle of "maintaining minimal privileges" as the cybersecurity control standard. 2. Keeping abreast of various information security issues (e.g. information security news released by the National Institute for Information Security), and reviewing and correcting the weaknesses of the Group's information security environment. 3. We continue to manage cybersecurity according to the three-phase defense system (pre-event, during-event, and post-event) principle, as defined by the group's operational practices. 4. Business laptops are managed in conjunction with the SSLVPN connection management system to ensure cybersecurity controls during remote usage.
	Lagging in response to market consumption habits and production technology	1. We promote smart monitoring of reactor stirrer bearings to prevent bearing wear and overheating, avoiding control failures, while adjusting reactor criteria to increase capacity and reduce energy consumption without compromising product quality. 2. The Company has successfully developed high VA and low MI products, expanded the product specifications, and improved the product quality and increased production capacity. 3. The Company maintains intensive contact with our customers to develop this product from shoe materials to wire and cable applications, and develop different specifications for different applications to meet customer needs.
Other risks	Environmental incident (after the occurrence of a major environmental pollution incident, the toxic and hazardous substances emitted and the energy flow released will immediately enter the environment, and may lead to a series of crowd poisoning, fire, explosion and other serious pollution of the environment and ecological damage)	1. An abnormal wastewater reporting and emergency response system is in place. No wastewater anomalies were reported in 2025. 2. In 2025, the Company completed training, drills, and education campaigns for toxic chemical disaster prevention and rescue, including 2 no-warning tests and 1 comprehensive drill. 3. Manage waste storage, removal, and disposal, and perform monthly on-site inspections. If there is any discrepancy, review and improve the situation immediately. 4. The plant has established crisis handling measures and emergency preparedness and response management measures.
	Transportation Safety - Underground Pipes (Accidents caused by fires, explosions, etc. arising from leakage of underground pipelines or tanker trucks, resulting in casualties or property damage and risk of operational disruptions.)	1. Execute underground pipeline inspection, patrol, monitoring, education training, and emergency response according to the recommendations from the on-site inspections by the pipeline chiefs from the Economic Development Bureau, the Park Management Bureau, and other relevant authorities, to further strengthen the underground pipeline system and integrity management. 2. Coordinate with road Competent authorities such as the Public Works Department and the Directorate General of Highways to issue excavation permits for third-party units like Taiwan Water, Taiwan Power, and Gas. On-site surveillance is periodically conducted during third-party excavation activities to prevent damage to nearby underground pipelines.

(XV) Other significant matters and action plans:

1. Receivables recovery risk

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

2. Implementation Status of Intellectual Property Management

The Company itself has submitted the matters related to intellectual property to be reported at the 11th Meeting of the 21st Term of the Board of Directors on November 10, 2025.

(1) Innovative Patent Application Platform and Intellectual Property (IP) Management Plan

To ensure that R&D results from new products and applications are promptly recorded, securely preserved, and filed for patent protection in a timely manner, an Innovation Patent Application Platform has been established to facilitate strategic patent portfolio layout in alignment with the company's product development direction.

To elevate our industry standing and protect existing technological achievements, the Company is committed to safeguarding intellectual property rights, including patents and trade secrets. By integrating R&D resources with operational objectives, we aim to establish a robust Intellectual Property Management System (IPMS) to strengthen our competitive advantage and generate higher returns through high-value products and services.

To achieve these management objectives, the R&D department and relevant functional units will first review and consolidate the current status of intellectual property within their jurisdictions. These findings will be reported to the General Manager and Chief Technology Officer (CTO) to evaluate and refine existing regulations. Following implementation, an execution report and the subsequent year's plan will be submitted in the fourth quarter.

(2) Patent ITEM

Name	Case number	country	Note
HYDROGENATED BLOCK COPOLYMER AND COMPOSITION THEREOF	US10450455B2	USA	Acquisition of patent rights on 2019/10/22(~2038/03/07)
Hydrogenated block copolymers and their compositions	I660975	Taiwan	Acquisition of patent rights on 2019/06/01 (~2038/03/05)
Fire-resistant composite structure	M597795	Taiwan	Acquisition of patent rights on 2020/07/01(~2030/03/12)
Fire-resistant composite structure	213675870U	Mainland China	Acquisition of patent rights on 2021/07/13(~2030/06/02)
MULTILAYER SHEET STRUCTURE FOR DENTAL APPLIANCE(dental orthodontic materials)	US11344386B2	USA	Acquisition of patent rights on 2022/5/31(~2040/08/10)
RECYCLABLE CROSSLINKED POLYMERIC FOAM AND APPLICATIONS THEREOF	US12110374B2	USA	Acquisition of patent rights on 10/08/2024(~2042/08/20)

(3) Trade secret management

The reports, documents, or related intellectual property produced by each Research and Development Plan of the R&D department are stored separately in encrypted website folders within the company; access permissions are set for control, and the system actively audits any unusual access situations and provides real-time alerts to the responsible chief for verification to ensure the proper management of trade secrets.

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



VII. Other important matters:

(I) Key performance indicators of USI Corporation

1. Injury-free working hours: The production environment at Renwu plant, with a strong emphasis on occupational safety, health and environmental protection, won the Excellence Award in the "Selection of Excellent Units and Employees Promoting Occupational Safety and Health" conducted by the Ministry of Labor. Renwu Plant paid special attention to the production environment as well as workplace safety and environmental protection. As of December 31, 2025, it has accumulated a total of 2,435,119 injury-free working hours, including contractors.
2. Equipment operating rate: In 2025, the equipment operating rate was 79.30%.

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

1. Injury-free working hours: As of December 31, 2025, the high-temperature and high-pressure production environment at Linyuan Plant, with a strong emphasis on occupational safety, health and environmental protection, has accumulated 506,811 hours in terms of injury-free working hours in total. Cumulative safe working hours: 6,820,901 hours.
2. Equipment operating rate: Apart from production shutdown due to equipment maintenance, production at the Company itself remains normal for the rest of the time. The equipment operating rate in 2025 reached 98.34%.

(III) Key performance indicators of CGPC

1. Production Achievement Rate: Compared to the annual target, the production achievement rate for Huaxia Toufen Plant was 89.77% for raw material products and 86.03% for processed products; for TCC Linyuan Plant, 94.12% for VCM products; and for Hongju Linyuan Plant, 72.53% for PVC powder products.
2. Yield Achievement Rate: Compared to the annual target, the yield achievement rate for Huaxia Toufen Plant was 99.59% for raw material products and 99.73% for processed products; for TCC Linyuan Plant, 100% for VCM products; and for Hongju Linyuan Plant, 100% for PVC powder products.
3. Customer objections: The ratio of annual losses from customer complaints (excluding quantity discounts) in 2025 was 0.1644% (the losses from customer complaints as a ratio of the revenue) and it was within the Company's control.
4. Employee proposals: There were 396 proposals (established cases) and the estimated savings is NT\$30.204 million in 2025.
5. Workplace accidents: Injury frequency (number of disabled persons per million hours) in 2025: 2.64.

Injury severity rate (total number of days of losses due to disability and injury per million hours) in 2025: 35. The occurrence rate of workplace safety incidents is within the Company's control.

(IV) Key performance indicators of TTC

1. Disaster-free working hours: As of December 31, 2025, the cumulative disaster-free working hours for each plant were 2,864,341 hours for the Cianjhen Plant,

2,436,034 hours for the Linyuan Plant, 1,840,784 hours for the Toufen Plant, and 3,196,697 hours for the Zhongshan Plant.

2. Equipment operating rate: In 2025, the equipment operating rate for ABS/SAN was 85.6%; GPS 95.1%; EPS 90.3%; Glasswool 95.9%; and Zhongshan Plant 80.7%.

(V) Key performance indicators of ACME Electronics Corporation

1. Injury-free working hours: As of December 31, 2025, the high-temperature and high-pressure production environment at Linyuan plant, with a strong emphasis on occupational safety, health and environmental protection, has accumulated 1,868,537 hours in terms of injury-free working hours in total.

2. Equipment operation rate: Due to internal competition issues with mainland Chinese manufacturers, market demand falling short of expectations, oversupply, and global supply chain restructuring, the Taoyuan Plant was unable to operate at full capacity. The equipment operation rate for 2025 was 64.0%.



Chapter 6. Special Notes

I. Information regarding Affiliated Companies:

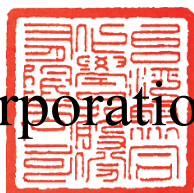
The 2025 consolidated business report for affiliated companies has been announced on the MOPS. Please refer to the basic information/e-books/affiliated companies section of the observatory for further details: https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=1304&year=&mtype=K&isnew=true ◦

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

III. Other necessary supplementary notes to be included: None.

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

USI Corporation



Chairman of the Board: Wu, Yi-Gui

