China Petrochemical Development Corporation, Annual Report 2025

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1.https://mops.twse.com.tw
(MOPS)
2.https://www.cpdc.com.tw
(China Petrochemical Development Corporation's Website)

CHINA PETROCHEMICAL DEVELOPMENT CORPORATION

Annual Report 2025

Published on March 31, 2026

Notice to readers

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

I. Company's spokesman and deputy spokespersons:

	Spokesperson	Deputy Spokesperson
Name:	Ying-Chun Chen	Chien-Hsien Li / Tai-Chang Chen
Title:	General Manager (Acting)	Vice General Manager / Associate
Tel:	(02)8787-8187 Ext. 8370	(02)8787-8187 Ext. 3806 / Ext. 8499

e-mail: investors@cpdc.com.tw

II. Company, Plant Address and Tel:

Name	Location	Tel
Taipei Office	11F, No. 12 Dongxing Road, Songshan District, Taipei City	(02)8787-8187
Toufen Plant	No. 217, Sec. 2, Ziqiang Road, Toufen City, Miaoli County	(037)623-381
Dashe Plant	No. 1, Jingjian Road, Dashe District, Kaohsiung City (Headquarters)	(07)351-3521
Siaogang Plant	No. 34, Zhonglin Road, Siaogang District, Kaohsiung City	(07)871-1160
Qiaotou Plant	No. 2, Qingpu, Chenggong South Road, Qiaotou District, Kaohsiung City	(07)611-7136
Douliou Plant	No. 156, Dougong 10th Road., Douliou City, Yunlin County	(05)557-0135

III. Share Transfer Agency:
Name: Stock Affairs Office of CPDC
Address: 3F, No. 12, Dongxing Road, Songshan District, Taipei City
Tel: (02)8978-2589
Website: https://www.cpdc.com.tw

IV. Certified Public Accountants (CPAs) of Auditing and Attesting Financial Statements for the Most Recent Year:
Name of CPAs: Wu, Cheng-Yen and Lee, Feng-Hui
Name of Accounting Firm: KPMG Taiwan
Address: 68F, No. 7, Xinyi Road, Sec. 5, Xinyi District, Taipei City
Tel: (02)8101-6666
Website: https://www.kpmg.com/tw

V. Offshore secondary exchange and disclosure information available at:
Securities name: Global Depository Receipts
Luxembourg Stock Exchange: https://www.bourse.lu/home

VI. Company Website: https://www.cpdc.com.tw

Chapter 1　Message to Shareholders

Esteemed Shareholders, Ladies and Gentlemen:

In 2025, the global political and economic landscape remained highly uncertain. Geopolitical conflicts, fluctuations in energy and raw material prices, and extreme weather disruptions to logistics and supply chains have continued to impact the overall operating environment of the industry. On the other hand, with the continued release of new petrochemical capacity in Mainland China, the supply of petrochemical products in Asia remains relatively ample. Product margins and operating rates are generally under pressure, and industry competition has become increasingly intense. Although the Mainland has actively promoted industrial restructuring and the elimination of outdated production capacity, short-term supply-demand imbalances and price competition pressures remain difficult to fully alleviate, adversely affecting the revenue and profitability of petrochemical industry peers.

In the face of external environmental challenges, the Company has adhered to the principles of prudence and stability, continuously advancing the upgrading and transformation of its petrochemical business. It has focused on the development of high-value and differentiated products, while actively expanding into growth-potential application areas such as semiconductors, energy materials, and communications, in order to enhance the competitiveness of its product portfolio and its ability to respond to economic cycles. At the same time, the Company will continue to strengthen coordination between production and sales, enhance flexibility in raw material procurement, and control costs and expenses. It will also implement an intelligent decision-making platform that integrates generative AI, data analytics, and operational information to improve market analysis, production line scheduling, and management efficiency, thereby enhancing overall responsiveness and operational resilience.

In the area of energy management and sustainable development, the Company has completed the installation of solar power facilities at its three major plants in Douliu, Dasha, and Xiaogang. Additionally, the Company has advanced the planning and installation of gas-fired generator units at the Toufen plant. By enhancing self-generation and self-consumption as well as improving energy use efficiency, the Company is gradually reducing carbon emissions and electricity costs, thereby fulfilling its goals of energy conservation, carbon reduction, and low-carbon transformation. As the global power structure rapidly shifts toward renewable and low-carbon energy, the Company will continue to strengthen its energy resilience and green competitiveness, actively responding to domestic and international sustainability trends and policy requirements.

In the land development sector, the Company will continue its asset revitalization strategy, closely monitoring macroeconomic conditions, real estate market trends, and regulatory policies, while prudently evaluating the development timelines and optimal utilization plans for each asset. For existing major projects, the Company will continue to strengthen capital allocation, progress control, and risk management to enhance asset utilization efficiency and reduce the impact of market fluctuations on the Company’s financial structure.

Looking ahead, global economic growth will continue to be affected by geopolitical risks, energy price volatility, and adjustments in industry supply and demand. The overall operating environment remains highly uncertain. The Company will continue to strengthen its financial foundation, enhance operational efficiency, deepen corporate governance and sustainable management, and consistently improve core competitiveness and corporate resilience, with the commitment to creating long-term and stable value for all shareholders.

1. 2025 Operating Report

For the fiscal year 2025, the Company reported consolidated operating revenue of NT$19,217 million, an operating net loss of NT$3,567 million, and a net loss after tax of NT$2,989 million. The Company's operating performance for the year 2025 is summarized as follows:

(I) Analysis of Production and Sales of Major Products:

Production and Sales Volumes of Principal Products for the Most Recent Two Fiscal Years

Unit: Metric Tons

Production and Sales Volume / Main Products	2025 (Consolidated)		2024 (Consolidated)		Increase (Decrease) in Volume			
	Production Volume	Sales Volume	Production Volume	Sales Volume	Production Volume	%	Sales Volume	%
Acrylonitrile (AN)	196,161	203,815	185,897	198,381	10,264	6%	5,434	3%
Caprolactam, Nylon Chips	198,983	174,945	298,134	252,225	(99,151)	(33%)	(77,280)	(31%)
O-phenylphenol (OPP)	1,580	1,330	2,014	2,102	(434)	(22%)	(772)	(37%)

Note: Production volume includes internal consumption and interdepartmental transfers.

1. Acrylonitrile (AN): Driven by stable downstream demand, alongside continued expansion of export markets, optimization of customer and product mix, and timely adjustments to production and sales strategies, both production and sales volumes increased compared to the previous year.
2. Caprolactam (CPL): Affected by capacity expansion in Mainland China, reciprocal tariffs, and intensified industry competition, the Company strategically adjusted its production and sales approach and strengthened inventory and cost control. However, due to limited recovery in end-market demand, both production and sales volumes declined compared to the previous year.
3. O-Phenylphenol (OPP): Impacted by changes in international trade policies and market supply-demand pressures, the Company continued to optimize its product portfolio and market positioning, while flexibly adjusting production and sales allocations in response. Nevertheless, overall industry demand remained weak, resulting in decreases in both production and sales volumes compared to the previous year.

(II) Analysis of Operating Performance and Profitability:

Statement of Profit or Loss for the Year

Unit: NT$ thousands

Year / Items of the Statement of Profit or Loss	2025 (Consolidated)	2024 (Consolidated)	Increase (Decrease)	%
Operating Revenue	19,217,032	29,367,781	(10,150,749)	(35%)
Gross Operating Profit (Loss)	(1,839,312)	274,353	(2,113,665)	(770%)
Net Operating Income (Loss)	(3,567,254)	(1,826,246)	(1,741,008)	(95%)
Non-operating Income and Expenses	1,091,312	2,729,608	(1,638,296)	(60%)
Pre-tax Net Profit (Loss)	(2,475,942)	903,362	(3,379,304)	(374%)
Net Profit (Loss) for the Period	(2,989,497)	219,506	(3,209,003)	(1,462%)
EPS (after tax)(NT$)	(0.78)	0.07	(0.85)	(1,214%)

1. Operating Revenue

The consolidated operating revenue for the current year decreased by NT$10,151 million compared to the previous year, representing a decline of approximately 35%. The primary factors contributing to this decrease are outlined as follows:

(1) Acrylonitrile and its derivative products generated revenue of NT$7,714 million, compared to NT$8,131 million in the previous year, reflecting a decrease of NT$417 million, or 5%. This decline was primarily attributable to a global supply–demand imbalance and the continued addition of new production capacity, which exerted downward pressure on product prices, resulting in a year-on-year decrease in average selling prices.

(2) Caprolactam and its derivative products recorded revenue of NT$9,142 million, compared to NT$15,251 million in the previous year, representing a decrease of NT$6,109 million, or 40%. This significant decline was mainly due to capacity expansion in Mainland China, the impact of reciprocal tariffs, and intensified industry competition, all of which led to weaker market demand and a reduction in sales volume compared to the previous year.

(3) Other segment revenue (including subsidiaries) amounted to NT$2,360 million, compared to NT$5,985 million in the previous year, reflecting a decrease of NT$3,625 million, or 61%. This decrease was primarily due to a substantial reduction in cyclohexanone sales volume by the Company’s subsidiaries in Mainland China compared to the previous year.

2. Net Operating Income

The Company's net operating income for the current year decreased by NT$1,741 million compared to the previous year, representing a decline of 95%. The primary factors contributing to this decrease are outlined as follows:

(1) Acrylonitrile and its derivative products were adversely affected by a global supply–demand imbalance and the continued release of production capacity. The growth in market supply exceeded that of demand, resulting in downward pressure on product prices and a decline in selling prices. Consequently, profit decreased by NT$179 million compared to the previous year.

(2) Caprolactam and its derivative products were impacted by capacity expansion in Mainland China, reciprocal tariffs, and intensified industry competition, which led to a decline in selling prices. As a result, overall profit decreased by NT$1,478 million compared to the previous year.

3. Non-operating Income and Expenses

Non-operating income for the current year decreased by NT$1,638 million compared to the previous year, representing a decline of 60%. The primary reasons are as follows:

(1) The disposal gain from investment properties decreased by NT$1,617 million compared to the previous year.

(2) The valuation gain of investment properties decreased by NT$2,433 million compared to the previous year.

(3) The share of profit or loss from associates and joint ventures recognized using the equity method increased by NT$576 million compared to the previous year.

(4) The remediation costs for Anshun site and Shulin site decreased by NT$1,370 million compared to the previous year.

(5) The impairment loss on property, plant, and equipment decreased by NT$394 million compared to the previous year.

4. Net Income Before and After Tax

A net loss before tax of NT$2,476 million for the current year, representing a decrease of NT$3,379 million compared to a net profit in the previous year, a decline of 374%. A net loss after tax of NT$2,989 million for the current year (loss per share of NT$0.78), compared to a net profit after tax of NT$220 million in the previous year (earnings per share of NT$0.07), reflecting a decrease of NT$3,209 million.

(III) Financial Position Analysis:

1. Financial Position: As of the end of the current year, total consolidated assets amounted to NT$129.3 billion, total liabilities were NT$53.0 billion, and total shareholders' equity

was NT$76.3 billion.

2. Key Financial Ratios: As of year-end, the current ratio was 207%, the quick ratio was 22%, and the debt ratio (total liabilities to total assets) was 41%.
3. Cash and Cash Equivalents: Net cash outflows from operating, investing, and financing activities totaled NT$4.4 billion for the current year. The ending balance of cash and cash equivalents was NT$1.8 billion.

(IV) Key Management Initiatives and Implementation Overview:

The key management activities of the China Petrochemical Development Corporation for the current year are categorized into the following six major areas: Production Management, Occupational Safety and Environmental Protection, Information Management, Human Resources Management, Financial and Capital Planning, and Sustainable Development. The details are as follows:

1. Production Management:

Affected by multiple adverse factors, including global overcapacity, geopolitical conflicts, and U.S. tariff policies, demand for caprolactam and nylon chips in Taiwan has continued to contract. Considering the technical characteristics of the caprolactam production process at the Company's Toufen Plant, as well as its operating cost structure, it has become difficult to maintain long-term competitive advantages under the current market environment. Following a prudent evaluation by the management team, the production line was determined to no longer possess economic viability or commercial value. Accordingly, the Board of Directors resolved on November 13, 2025, to cease operations and proceed with the decommissioning of the second caprolactam production line and the nylon chip plant at the Toufen Plant. Other products at the Toufen Plant will be optimized and adjusted in alignment with market conditions and the plant's future development plans, with a view to enhancing overall operational efficiency.

The Company continues to focus on and is committed to enhancing environmental protection and production efficiency. Through the application of advanced technologies and strategic partnerships, we continuously optimize production processes, balancing economic benefits with environmental protection. In line with government policies to increase the proportion of renewable energy generation, renewable energy installations have been completed at the Siaogang, Dashe, and Douliu Plants. In 2025, solar power generation reached 3,280,342 kWh, resulting in a reduction of approximately 1,555 tons of CO_2e emissions. The Company will continue to identify sites with potential for renewable energy development, assess the feasibility of new installations, and gradually expand renewable energy capacity. In addition, the Dashe Plant completed VOCs (Volatile Organic Compounds) abatement improvement works and commissioned a wastewater improvement project in 2025, effectively reducing environmental pollution and improving boundary concentrations, thereby enhancing ecological protection and demonstrating the Company's commitment to environmental responsibility. The Siaogang Plant continues to focus on the development of electronic-grade products to strengthen the Company's competitive advantage. Meanwhile, the Toufen Plant has installed gas engine generator units to replace the original coal-fired cogeneration system. Upon commencement of commercial operation in 2026, this initiative is expected to reduce electricity costs while lowering pollution and carbon emissions.

2. Occupational Safety and Environmental Protection:

The Company places strong emphasis on occupational safety and health management and the tracking of its environmental footprint throughout its operations. All plants have implemented the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System to ensure that emissions, waste disposal, and workplace safety and health facilities comply with applicable regulatory requirements. In addition, the Company has established a carbon emission module within its smart decision-making platform to monitor real-time carbon emissions, enabling timely adjustments to decarbonization strategies and targets. Major production facilities have obtained certifications for ISO 9001, ISO 14001, ISO 45001, ISO 46001, and ISO 14064, while the Dashe and Siaogang Plants have also achieved ISO 50001 certification. Annual surveillance audits are conducted to ensure the continued effectiveness of these management systems.

(1) Occupational Safety and Health: The Company continues to promote the ISO 45001 Occupational Health and Safety Management System and Process Safety Management (PSM) practices. It has established key performance indicators (KPIs) and implemented a Plan–Do–Check–Act (PDCA) management cycle to foster a proactive and positive safety culture. The Company also actively monitors regulatory developments related to occupational safety and health, participates in government consultation meetings, and formulates corresponding response measures.

(2) Environmental Protection: The Company remains committed to advancing environmental protection initiatives and the green economy. In 2025, the Siaogang Plant received the Excellence Award for Air Quality Purification Zone Adoption, while the Dashe Plant was recognized with the Outstanding Award for Air Quality Purification Zone Adoption Unit.

(3) Major Non-Compliance Incident: On March 16, 2025, a yellow smoke emission incident occurred at the Siaogang Plant due to internal leakage of a process isolation valve. The situation was promptly addressed, and nearby air quality monitoring systems did not issue any abnormal alerts. The incident did not disrupt plant

operations or cause any material impact. However, the Company was fined NT$2.13 million by the competent authority. Following an internal review and comprehensive inspection of plant processes, pipelines with potential risk of external leakage have been properly disconnected and isolated to prevent recurrence of similar incidents.

3. Information Management:

The Company continues to advance its digital transformation by integrating key systems and optimizing operational processes, thereby achieving system integration and automated management across its information infrastructure. Regarding information security, the Company optimizes its information security management system in accordance with ISO 27001:2022 standards. It has established Privileged Account Management (PAM) and Endpoint Detection and Response (EDR) monitoring mechanisms, centralizing access control of privileged accounts to reduce the misuse of special privilege accounts. EDR software is installed on all user workstations to detect suspicious activities on hosts and endpoints, preventing cybersecurity incidents caused by hacker intrusions. This aligns with cybersecurity governance policies and regulatory compliance, effectively mitigating network threats and data breach risks, thereby enhancing the Company's competitiveness and overall value.

In addition, the Company is promoting the deepened application of artificial intelligence (AI) across various functions, including administrative management, business development, marketing material (DM) production, precise identification of new customer segments and market analysis, as well as high value-added areas such as patent information analysis and the formulation of patent design-around strategies. These initiatives support all business units in strengthening their competitive advantages through data-driven and intelligent tools. Furthermore, through education and training programs and knowledge-sharing initiatives, the Company is cultivating employees' digital capabilities and fostering a culture of innovation.

Looking ahead, the Company will establish the CPDC AI Lab as a core platform for technology development, testing, and validation. It will expand reusable AI modules and application solutions to accelerate implementation and enhance operational efficiency.

4. Human Resources Management:

The Company is committed to implementing a people-centric governance approach. Through talent inventory and competency framework development, it strengthens diversified recruitment and fosters organizational culture alignment, thereby building a cohesive and employee-friendly workplace. In response to industry transformation challenges, the Company has established a dynamic talent database and promotes project-based flexible workforce deployment, enabling organizational streamlining and optimal human resource allocation to effectively enhance workforce utilization efficiency. Furthermore, the Company actively invests in employee digital empowerment. Through digital transformation training and cross-disciplinary skill development, it enhances organizational adaptability and resilience. By integrating performance-driven management with efficient horizontal/vertical communication mechanisms, the Company encourages self-directed learning and professional growth, thereby strengthening high-performing teams and supporting long-term corporate performance and sustainable development objectives through robust organizational capabilities.

5. Financial and Capital Planning:

In response to the dual development strategy of petrochemicals and land development, the Company continues to strengthen its cooperation with financial institutions and utilize capital markets for fundraising, maintaining a reasonable and secure cash flow to meet the Company's funding needs. Additionally, leveraging the Company's current ESG achievements, the Company is negotiating ESG-linked loan preferential interest rates with financial institutions to reduce borrowing costs. Going forward, the Company will continue to allocate funds according to its operational plans, improve financial ratios, and enhance its credit rating, thereby optimizing the Company's financial structure.

6. Sustainable Development:

The Company is committed to the vision of "pursuing green environmental and ecological development, coexisting and thriving with the Earth and society." We have developed the CPDC Sustainable Development Strategy Blueprint 2.0, which incorporates 13 of the United Nations Sustainable Development Goals (SDGs), and have set short, medium, and long-term greenhouse gas reduction commitments as part of our pathway toward the 2050 net-zero carbon emissions target. This serves as the guiding framework for driving the Company's sustainable development, integrating sustainable development into our business strategy.

To achieve the sustainable business strategy, under the supervision of the Board of Directors and the guidance of the Sustainable Development Committee, the Company continued to promote ESG projects and CSR actions in 2025. The results are as follows:

(1) Environmental Sustainability Aspect (Environmental):

The Company received multiple recognitions in 2025, including the "Net-Zero Industry Competitiveness Excellence Award" from the 21st Century Foundation, the "1.5°C Badge Certificate" from CommonWealth Magazine, and inclusion in the "Top 100 Carbon Competitiveness Companies 2025" by Business Weekly Taiwan.

The Company has also participated in CDP for eight consecutive years, achieving a Management Level (B) rating in both climate change and water security.

In 2025, CPDC published its Position Statement on Climate Change Public Policy and Participation, demonstrating its commitment and proactive efforts in addressing climate change.

With respect to decarbonization initiatives, the Company invested NT$38,896 thousand in 2025, implementing a total of 12 energy-saving and carbon reduction projects. These initiatives achieved an annual carbon reduction of 4,238 metric tons of CO_2e, along with water savings of 62,776 MT.

(2) Social Coexistence Aspect (Social):

The Company is committed to fostering a strong internal corporate culture while actively promoting a healthy and active lifestyle among employees. All plants have obtained the "Health Promotion Certification" issued by the Ministry of Health and Welfare and continue to maintain the "Sports Enterprise Certification" awarded by the Ministry of Education.

In 2025, the Company's total investment in public welfare initiatives exceeded NT$4 million, mobilizing 422 personnel and benefiting more than 20,000 individuals. Through these tangible contributions, the Company actively responds to societal needs and continues to expand its positive social impact.

(3) Corporate Governance Aspect (Governance):

The Company has been consecutively selected for six years to the S&P Global Sustainability Yearbook and ranked among the top 4% (PR 96) in the chemicals industry in the Dow Jones Sustainability Index (DJSI) assessment. It has also received the Taiwan Corporate Sustainability Awards (TCSA) "Corporate Sustainability Excellence Award" and the "Gold Award for Sustainability Report."

To strengthen its governance framework, the Company continues to establish and enhance ESG-related policies and regulations, including the Risk Management Policy and Procedures, Anti-Corruption and Anti-Bribery Policy, and Corporate Value Enhancement Plan, thereby reinforcing governance resilience.

Furthermore, in response to the environmental contamination issues historically associated with the Anshun Plant (the remediation site) during the state-owned enterprise period, the Company has proactively undertaken remediation efforts in line with its corporate social responsibility commitments. These efforts have been carried out in full compliance with the supervision and regulatory oversight of the competent authorities. The remediation project has now entered its final stage and is expected to be completed by the end of June 2026, with the aim of restoring environmental quality and promoting the sustainable utilization of land resources.

(V) Overview of Research and Development and Future Development Directions:

Innovation and research and development have long been core strategic pillars underpinning the Company’s pursuit of sustainable operations. Currently, the Company’s R&D initiatives focus on battery safety additives, high-frequency low-dielectric resins, and microchannel hydrogenation technologies, all of which are driven by in-house innovation and systematic integration.

Among these, battery safety additives are developed through precise control of thermal decomposition behavior and flame-retardant mechanisms, effectively addressing critical trigger points of thermal runaway in lithium-ion batteries. This represents an original material innovation, and the Company will continue to invest in novel molecular design, application window studies across various battery chemistries, and validation in alignment with safety regulations. In the area of high-frequency low-dielectric resins, Taiwan serves as a global hub for advanced printed circuit board and materials supply chains. Through close collaboration with leading domestic and international high-end PCB manufacturers and material system partners, the Company continues to enhance its material platforms and long-term reliability validation capabilities, aligning its R&D efforts with the evolving demands of high-end markets. With respect to microchannel hydrogenation technology, the Company integrates its proprietary catalyst design and reaction engineering expertise to enable flexible adjustment of catalytic systems and operating conditions based on specific reaction requirements. This approach demonstrates a high degree of flexibility and integration and represents a structural departure from conventional reaction-based models.

By leveraging market intelligence in conjunction with its existing technological capabilities, the Company evaluates its competitive advantages and identifies high-potential market segments. It aims to expand its portfolio of high-value-added products while actively pursuing collaboration opportunities with leading industry players, including contract manufacturing of key materials and technical partnerships, thereby strengthening its industrial value chain deployment and delivering comprehensive solutions.

Since 2010, the Company has introduced and passed the TIPS (Taiwan Intellectual Property Management System) certification promoted by the Ministry of Economic Affairs, establishing a comprehensive intellectual property protection system. In addition to consolidating its technological leadership in existing product markets, the Company is accelerating the development of new product production technologies. To date, the Company has obtained a total of 269 patents and continues to actively implement and uphold the protection of its intellectual property rights.

(VI) Business Strategy and Future Operational Outlook:

Guided by its core philosophy of sustainable development, the Company continues to advance its dual business pillars—Petrochemical Operations and Land Development—as its primary strategic direction. These are supported by CPDC's sustainability strategies of "Smart Manufacturing (Clever)," "Forward-looking Governance (Prescience)," "Value Chain Communication (Dialogue)," and "Corporate Care (Care)."

In terms of petrochemical operations, the Company enhances operational efficiency and sales optimization, strengthens cost control, and rigorously implements occupational safety, environmental protection, and process safety management practices. It maintains operational flexibility by phasing out underperforming businesses to mitigate risks. For production lines lacking economic viability, adjustments will be made prudently in response to market dynamics and resource allocation principles to improve overall operational performance. In terms of transformation and upgrading, the Company focuses on high-value-added products and application areas with strong growth potential, including key chemicals for the semiconductor, energy materials, and telecommunications industries. It adopts technical collaboration and contract manufacturing models to enhance resource integration flexibility and efficiency. Meanwhile, the Company leverages smart decision-making platforms and applications such as generative AI to strengthen its ESG responsiveness.

In terms of land development, the Company continues to implement its asset revitalization strategy, closely monitoring real estate market trends and carefully evaluating the optimal utilization of its assets. Future project advancement will be adjusted in a timely manner based on market conditions, regulatory requirements, and risk assessment outcomes. In addition, the Company will reinforce capital allocation and project schedule management for major ongoing developments to mitigate the financial impact of uncertainties.

Looking ahead, CPDC will continue to enhance its corporate governance and risk management capabilities, flexibly adjust its business strategies and organizational resource allocation, and proactively respond to changes in domestic and international industry and policy environments. Through the steady execution of its transformation initiatives, the Company aims to create long-term corporate value while achieving operational resilience and sustainable growth.

I wish you all the best,

Steve Ruey-Long Chen,

Chairman

Chapter 2　Corporate Governance Report

I. Information About Directors, Supervisors, General Manager, Vice General Manager, Assistant Vice General Manager, and Head of Department and Branch

(I) Information about directors

1. Information about directors

March 24, 2026

Title	Nationality or registered country	Name	Gender Age	Date elected (appointed)	Term	Date first elected (Note 1)	Shareholding when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at CPDC and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Remark
							Number of Shares	Shareholding Ratio	Number of Shares	Ratio of Shareholding	Number of Shares	Ratio of Shareholding	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Republic of China	Core Pacific Co. Ltd.	N/A	20240530	Three years until 20270529	19940726	53,980,916	1.426%	53,980,916	1.426%	0	0.000%	0	0.000%	N/A	N/A	N/A			N/A
		Core Pacific Co. Ltd. Representative: Ruey-Long Chen	Male Age above 61 years old	20240530	Three years until 20270529	20120630	200,000	0.005%	200,000	0.005%	0	0.000%	0	0.000%	Department of Applied Economics in NCHU Minister, Ministry of Economic Affairs Vice Chairman, Cross-Strait CEO Summit Chairman, Institute for Information Industry Chairman, Sinocon Industrial Standards Foundation	Independent Director, Formosa Chemicals & Fiber Corporation Independent Director, Inventec Corporation Director, Asia Cement Corporation (Legal Representative) Legal Representative, Unichem Development Limited* Chairman, Kaohsiung Monomer Co., Ltd. * Chairman, Taivex Therapeutics Corp. Chairman of the Committee, Thanh Phong Construction Investment Co., Ltd. Executive Director, Core Pacific Twin Star (Myanmar) Investment Co. Ltd. Director, Core Pacific Pioneer (Myanmar) Co., Ltd. Director, Linde Taiwan Technologies Limited (Legal	None			Note 2

Title	Nationality or registered country	Name	Gender Age	Date elected (appointed)	Term	Date first elected (Note 1)	Shareholding when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at CPDC and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Remark
							Number of Shares	Shareholding Ratio	Number of Shares	Ratio of Shareholding	Number of Shares	Ratio of Shareholding	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
																Representative) (Original name: Director, Praxair Chemax Semiconductor Materials Co., Ltd.) Independent Director, Natural Beauty Bio-Technology Limited (listed company in Hong Kong) Independent Director, Asia Cement (China) Holdings Corporation				
Vice Chairman	Republic of China	Yao Chuen Co., Ltd.	N/A	20240530	Three years until 20270529	20210702	448,708	0.012%	448,708	0.012%	0	0.000%	0	0.000%	N/A	N/A	N/A			N/A
		Representative of Yao Chuen Co., Ltd.: Hui-Ting Shen	Male Age Under 61 years old	20240530	Three years until 20270529	20090630 (Note 1)	0	0.000%	0	0.000%	0	0.000%	0	0.000%	Graduate, Department of Electro-Mechanics and Information Management, Lehigh University, USA EMBA, School of Economics and Management, Tsinghua University, Beijing Director, Sheen Chuen-Chi Cultural & Education Foundation Director, Jean Pacific Development Co., Ltd.	Special Assistant of the Company Director, Sheen Chuen-Chi Cultural and Educational Foundation Director, Core Pacific Development Corporation (Legal Representative)* Director, Kaohsiung Monomer Co., Ltd. (Legal Representative)* Director, Jean Pacific Development Co., Ltd. (Legal Representative) * Director, Jiangsu Weiming New Materials Co., Ltd. * Director, Core Pacific - Yamaichi International (H.K.) Director, Core Pacific - Yamaichi Financial Group Limited Chairman, Shanghai Core Pacific - Consultant Co. Ltd. (Legal Representative) Chairman & General Manager, Beijing Core Pacific - Investment and Consultant Co.	None			None

Title	Nationality or registered country	Name	Gender Age	Date elected (appointed)	Term	Date first elected (Note 1)	Shareholding when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at CPDC and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Remark
							Number of Shares	Shareholding Ratio	Number of Shares	Ratio of Shareholding	Number of Shares	Ratio of Shareholding	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
																Ltd. (Legal Representative) Director, Yangzhou Jing Guo Co., Ltd. Director, Yangzhou Jingcai Property Co., Ltd. Supervisor, Yangzhou CMK Co., Ltd.				
Independent Director	Republic of China	Yuan-San Lu	Male Age above 61 years old	20240530	Three years until 20270529	20240530	0	0.000%	0	0.000%	0	0.000%	0	0.000%	Juris Doctor, Washington College of Law, The American University, Master of Laws , Cornell University Legal Director, AAC Technologies Of Counsel Kingdoms Law Firm Adjunct associate professor, School of Law, Soochow University Vice General Manager, Taiwan East West (Chema) Enterprises, Limited	None	None			None
Independent Director	Republic of China	Chia-Yu Chiu	Female Age Under 61 years old	20240530	Three years until 20270529	20170308	0	0.000%	0	0.000%	0	0.000%	0	0.000%	B.B.A., Department of Public Finance, Feng Chia University Chairperson, China Television Company Special Assistant, Want Want China Times Media Group; Senior Counselor,Taipei Office of Tainan City Government	None	None			None
Independent Director	Republic of China	Lian-Sheng Tsai	Male Age above 61 years old	20240530	Three years until 20270529	20120630 (Note 1)	0	0.000%	0	0.000%	0	0.000%	0	0.000%	M.S., Graduate Institute of China Studies, Tamkang University Secretary General, Chinese National Federation of Industries Executive secretary, Ministry of Economic	Independent Director, Yi Shin Textile Industrial Co., Ltd. Independent Director, AcBel Polytech Inc. Independent Director, Enlight Corporation Deputy Secretary General, Cross-Strait CEO Summit	None			None

Title	Nationality or registered country	Name	Gender Age	Date elected (appointed)	Term	Date first elected (Note 1)	Shareholding when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at CPDC and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Remark
							Number of Shares	Shareholding Ratio	Number of Shares	Ratio of Shareholding	Number of Shares	Ratio of Shareholding	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
															Affairs Investment Commission Director General, Intellectual Property Office, Ministry of Economic Affairs					
Director	Republic of China	Jen Huei Enterprise Co. Ltd.	N/A	20240530	Three years until 20270529	20060630	21,797,310	0.576%	21,797,310	0.576%	0	0.000%	0	0.000%	N/A	N/A	N/A			N/A
		Jen Huei Enterprise Co. Ltd.: Shaw-Shin Yang	Male Age above 61 years old	20240530	Three years until 20270529	20000524 (Note 1)	0	0.000%	0	0.000%	0	0.000%	0	0.000%	Graduate, College of Kinesiology	Chairman, QMI Industrial Co., Ltd. Chairman, Quint Major Industrial Co., Ltd. Supervisor, Quint Yi Construction Co., Ltd.	None			None
Director	Republic of China	BES Engineering Corp.	N/A	20240530	Three years until 20270529	20000524	183,037,540	4.836%	183,037,540	4.836%	0	0.000%	0	0.000%	N/A	N/A	N/A			N/A
		BES Engineering Corp.: Jiun-Nan Bai	Male Age above 61 years old	20240530	Three years until 20270529	20000524	0	0.000%	0	0.000%	0	0.000%	0	0.000%	M.S., Graduate Institute of Economics, National Taiwan University Ph.D. in Law, Chinese Culture University Special Committee Member of the Council for Economic Planning and Development Vice General Manager, Bank of Communications	Independent Director, President Securities Corp. Director, Weili Food Industries (Legal Representative) Director, BES Engineering Corp. (Legal Representative)*	None			None
Director	Republic of China	C.P. Leasing Co. Ltd.	N/A	20240530	Three years until 20270529	20210702	2,100,516	0.055%	2,100,516	0.055%	0	0.000%	0	0.000%	N/A	N/A	N/A			N/A
		C.P. Leasing Co. Ltd.: Kuen-Ming Lin	Male Age above 61 years old	20240530	Three years until 20270529	20120630	0	0.000%	0	0.000%	0	0.000%	0	0.000%	Graduate, Department of Electrical Engineering, National Taiwan University Deputy Secretary General, Cross-Strait CEO Summit	Chairman and General Manager of Premier Venture Capital Corp. Chairman, Premier Capital Management Corp. Chairman, Ruby Tech Corp.	None			None

Title	Nationality or registered country	Name	Gender Age	Date elected (appointed)	Term	Date first elected (Note 1)	Shareholding when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at CPDC and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Remark
							Number of Shares	Shareholding Ratio	Number of Shares	Ratio of Shareholding	Number of Shares	Ratio of Shareholding	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
																Chairman, Chief Investment Corp. Director and General Manager, Chief Venture Capital Corp. (Legal Representative) Director and General Manager, Sun-Yuan Venture Capital Corp. (Legal Representative) Director, Dexin Corporation Director, Lung Hwa Electronics (Legal Representative) Director, DeltaMac (Taiwan) Co., Ltd. (Legal Representative) Independent Director, Getac Technology Corp. Director, Taivex Therapeutics Corp. (Legal Representative)				

* Denote the reinvestment companies of the Company using the equity method.

Note 1: Please also specify if the initial term of office for the Company's director or supervisor is interrupted.

(1) Mr. Hui-Ting Shen’s initial term as a director is 2009/6/30~2011/5/16, and his second term as a director of the Company (as a representative of the Sheen Chuen-Chi Cultural & Education Foundation and a representative of Yao Chuen Co., Ltd.) is 2020/5/25~2021/7/1, 2021; 2021/7/2~2024/5/29, and 2024/5/30~2027/5/29 respectively.

(2) Mr. Lian-Sheng Tsai was first elected as an independent director of the Company on 2022/5/27 and served as a director of the Company (as a representative of the Sheen Chuen-Chi Cultural & Education Foundation) for the terms of June 30, 2012/6/30~2015/6/29, 2015/6/30~2018/4/10, and 2018/4/11~2020/5/24 respectively.

(3) Mr. Shaw-Shin Yang served as a director for the initial term 2012/6/27~2012/7/31, and again as a director of the Company (as the representative of Jen Huei Enterprise Co., Ltd. and Core Pacific Co. Ltd.) for the terms 2015/6/30~2015/7/7, 2021/7/2~2024/5/29, and 2024/5/30~2026/5/29 respectively.

Note 2: Where the chairperson of the board of directors and the General Manager or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures (e.g., increase the number of independent directors and have a majority of directors who are not also employees or managers, etc.) adopted in response thereto:

At this stage, in addition to focusing on the dual business development of petrochemicals and land development, the Company is also actively driving industry upgrading and transformation. As such, Chairman Ruey-Long Chen has been appointed as the Chief Executive Officer (CEO) to lead the Company's management team. Due to the resignation of Ms. Mei-Ling Chen as an independent director, the number of independent directors of the Company has decreased from four to three. To comply with the “Regulations Governing the Establishment and Exercise of Powers of the Board of Directors of Public Companies”, as well as to uphold the spirit of high corporate governance, the Chairman of the Company has resigned from the concurrent position of CEO in accordance with relevant provisions.

Note 3: At the time of election, the Company had 3,784,850,130 shares in issue.

Note 4: The number of shares in issue as at the book closure date is 3,784,850,130 shares.

2. Major Shareholders of Institutional Shareholders

March 24, 2026

Names of Institutional Shareholders (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	
	Names of Major Shareholders	Shareholding Ratio
Jen Huei Enterprise Co. Ltd.	Frank Lu Co., Ltd.	20.00%
	King's Wealth Investment Co., Ltd.	18.13%
	Champ Enterprise Co., Ltd.	15.00%
	Tontech International Co., Ltd.	14.25%
	Ten King Investment Co., Ltd.	13.75%
Core Pacific Co. Ltd.	Yang Jen Co., Ltd.	17.61%
	Gau Shan Gang Co., Ltd.	16.23%
	Golden Wheel Co., Ltd.	11.16%
	Taiwan Tony Enterprise Corp.	9.29%
	Lin-Mei Tang	9.11%
	Core Pacific Electronics Co., Ltd.	7.74%
	Tony Investment Co., Ltd.	6.82%
BES Engineering Corp.	Pao-Hsin Investment Co., Ltd.	18.06%
	China Petrochemical Development Corporation	10.74%
	Lin, Wen-Yang	1.96%
	Yuan Tung Investment Co., Ltd.	1.02%
	Chia Chun Investment Co., Ltd.	1.01%
	HO CHU Investment Co., Ltd.	1.01%
	JP Morgan Advanced Starlight Advanced Comprehensive International Stock Index	0.85%
	Sheen Chuen-Chi Cultural and Educational Foundation	0.84%
	JP Morgan Chase Bank N. A. Taipei Branch in Custody for Vanguard Emerging Market Stock Index Fund, a Series of Vanguard Equity Index Funds	0.82%
	Ten King Investment Co., Ltd.	0.80%
Yao Chuen Co., Ltd.	Tontech International Co., Ltd.	70.00%
	Taiwan Safe Manufacturing & Merchandising Co., Ltd.	25.00%
	Flower Field Development Ltd.	5.00%
C.P. Leasing Co. Ltd.	Agora Garden Co., Ltd.	44.77%
	Jen Huei Enterprise Co. Ltd.	11.63%
	Core Pacific Real Estate Co., Ltd.	11.63%
	Tony Investment Co., Ltd.	9.30%

Note 1: For directors and supervisors acting as the representatives of institutional shareholders, this section shall indicate the names of the institutional shareholders.

Note 2: This section shall indicate the names of institutional shareholders' 10 largest shareholders and the holding percentage of each. If any of those 10 largest shareholders is a juridical person, shall further fill in Table "Major Shareholders of the Major Institutional Shareholders."

Note 3: If the institutional shareholder is not a company, the name and shareholding ratio of the shareholder disclosed in the preceding paragraph refer to the name and shareholding (donating) ratio of the shareholder or donor. If a donor has died, please further note “deceased.”

3. Major Shareholders of the Major Institutional Shareholders

March 24, 2026

Name of Juridical Persons (Note 1)	Major Shareholders of the Juridical Persons (Note 2)	
	Names of Major Shareholders	Shareholding Ratio
Frank Lu Co., Ltd.	Glory Construction Co., Ltd.	80.00%
	Kun-Ren Song	20.00%
Champ Enterprise Co., Ltd.	Frank Lu Co., Ltd.	29.59%
	C.P. Leasing Co. Ltd.	17.52%
	Chao-Wen Cheng	9.73%
	Glory Construction Co., Ltd.	9.00%
	Chun-Feng Wu	7.95%
	Ten King Investment Co., Ltd.	7.95%
Tontech International Co., Ltd.	King’s Wealth Investment Co., Ltd.	38.75%
	Kao King Investment Co., Ltd.	27.50%
	Taiwan Tony Enterprise Corp.	27.50%
Ten King Investment Co., Ltd.	Glory Construction Co., Ltd.	21.42%
	Kao King Investment Co., Ltd.	20.74%
	Core Pacific Co., Ltd.	18.88%
	Champ Enterprise Co., Ltd.	10.89%
	Core Pacific Electronics Co., Ltd.	10.53%
King’s Wealth Investment Co., Ltd.	Core Pacific Electronics Co., Ltd.	24.00%
	Gau Shan Gang Co., Ltd.	19.00%
	Excellence Investment Co., Ltd.	19.00%
	Yang Jen Co., Ltd.	16.75%
	Taiwan Tony Enterprise Corp.	11.25%
Taiwan Tony Enterprise Corp.	Core Pacific Real Estate Co., Ltd.	33.60%
	Chun-Feng Wu	30.84%
	Core Pacific Electronics Co., Ltd.	15.00%
	Frank Lu Co., Ltd.	15.00%
Premier Capital Co., Ltd..	King’s Wealth Investment Co., Ltd.	42.00%
	Kingmetro Development & Consultancy Corp.	38.00%
	Jen Huei Enterprise Co. Ltd.	20.00%
Tony Investment Co., Ltd.	Pan Universal Co., Ltd.	29.71%
	Core Pacific Supermarket Co., Ltd.	18.71%
	King's Wealth Investment Co., Ltd.	10.00%
	Fu Shing Real Estate Co., Ltd.	9.94%
	Jen Huei Enterprise Co. Ltd.	9.65%

Name of Juridical Persons (Note 1)	Major Shareholders of the Juridical Persons (Note 2)	
	Names of Major Shareholders	Shareholding Ratio
	Kao King Investment Co., Ltd.	9.00%
Yang Jen Co., Ltd.	Janson Yu	40.00%
	Li-Fen Cheng	20.00%
	Chang Li Co., Ltd.	20.00%
Gau Shan Gang Co., Ltd.	Chang Li Co., Ltd.	50.00%
	Li-Fen Cheng	30.00%
	Tsung-Hsun Wu	20.00%
Core Pacific Electronics Co., Ltd.	Hsiang Wu	14.67%
	Taiwan Tony Enterprise Corp.	14.67%
	King's Construction Co., Ltd.	14.40%
	Ching Cheng Co., Ltd.	9.76%
	Glory Construction Co., Ltd.	9.08%
	Champ Enterprise Co., Ltd.	8.95%
	Tontech International Co., Ltd.	8.14%
	Fu Shing Real Estate Co., Ltd.	8.13%
China Petrochemical Development Corporation	BES Engineering Corporation	4.84%
	Chao-Shun Hong	2.22%
	Core Pacific Co., Ltd.	1.43%
	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	0.95%
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.93%
	Core Pacific - Yamaichi International (H.K.) Limited. –Client A/C	0.84%
	Polunin Developing Countries Fund, LLC	0.64%
	Jen Huei Enterprise Co., Ltd.	0.58%
	Ming-Da Lin	0.57%
	Jian-Long Zhu	0.50%
Taiwan Safe Manufacturing & Merchandising Co., Ltd.	Jing Hua Supermarket Co., Ltd.	82.00%
	C.P. Leasing Co., Ltd.	18.00%
Flower Field Development Ltd.	Windwell Industrial Co., Ltd.	45.00%
	King's Wealth Investment Co., Ltd.	35.00%
	Li-Fen Cheng	20.00%
Core Pacific Real Estate Co., Ltd.	Chun-Feng Wu	24.80%
	Fu Shing Real Estate Co., Ltd.	21.00%
	Ching Cheng Co., Ltd.	14.60%
	Tung-An Chang	9.60%
	Fen-Lan Yu	9.00%
	Kao King Investment Co., Ltd.	8.80%
	Kingmetro Development & Consultancy Corporation	6.00%

Name of Juridical Persons (Note 1)	Major Shareholders of the Juridical Persons (Note 2)	
	Names of Major Shareholders	Shareholding Ratio
	Ting Wu	6.00%
Agora Garden Co., Ltd.	Golden Wheel Co., Ltd.	14.24%
	Core Pacific Electronics Co., Ltd.	13.78%
	Cheng Yao Enterprise Co., Ltd.	12.62%
	Kao King Investment Co., Ltd.	10.53%
	Premier Capital Co., Ltd.	7.81%

Note 1: If any of those major shareholders in Table 1 is a juridical person, this section shall indicate the names of the juridical persons.

Note 2: This section shall indicate the names of juridical persons' 10 largest shareholders and the holding percentage of each.

Note 3: If the institutional shareholder is not a company, the name and shareholding ratio of the shareholder disclosed in the preceding paragraph refer to the name and shareholding (donating) ratio of the shareholder or donor. If a donor has died, please further note "deceased."

4. Information on Directors in professionalism and independence

(1) Board structure:

An open and fair selection process for all directors has been established as required by the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies, Article 14-2 of the Securities and Exchange Act and the Company's Articles of Incorporation, Rules for Election of Directors, and Corporate Governance Best Practice Principles. The current Board consists of 9 directors, of which currently 8 members are in office, including 3 independent directors (37.5%), 5 non-independent directors (62.5%), and 1 managerial officer (12.5%, below one-third). None are spouses or second-degree relatives in compliance with the provisions of Paragraph 3 (over half are spouses or second-degree relatives) and 4 (supervisors and directors shall not be spouses or second-degree relatives), Article 26-3 of the Securities and Exchange Act.

(2) Professional qualifications, experiences, and independence are as follows:

March 24, 2026

Name	Qualification and experience	Status of independence	Number of public companies where the person holds the title as independent director
Chairman Ruey-Long Chen	Who graduated from the Department of Applied Economics in NCHU. Currently serves as the Company Chairman. Previously served as the Minister of the Ministry of Economic Affairs, Deputy Minister of State Affairs of the Ministry of Economic Affairs, Executive Deputy Minister of the Ministry of Economic Affairs, and Director of the International Trade Bureau of the Ministry of Economic Affairs. Currently as Independent Director of Formosa Chemicals & Fiber Corporation & Independent Director of Inventec Corporation & Director, director of Asia Cement Corporation. Possessed a good knowledge and experience of industry (both non-tech/ manufacturing and technology: materials: petrochemical, traditional), operational judgment, leadership decision-making for multinational companies, business management, crisis management and international trade and market capabilities.	None of the paragraphs in Article 30 of the Company Law are applied. (Note 1)	2

Name	Qualification and experience	Status of independence	Number of public companies where the person holds the title as independent director
Vice chairman Hui-Ting Shen	With EMBA in School of Economics and Management, Tsinghua University & B.A. in Department of Electronic Machinery and Information Management, Lehigh University. Currently as Director of JEAN Pacific Development Co., Ltd. & Vice Chairman of Yangzhou Living City Co., Ltd. and the Company's Vice Chairman. Possessed a wealth of industry (materials: petrochemical, real estate: land and real estate management & development, industrial: construction and engineering) knowledge and experiences, operational judgment, leadership decision making, business management, crisis management capabilities.	None of the paragraphs in Article 30 of the Company Law are applied. (Note 1)	0
Director Jiun-Nan Bai	Ph.D. in Law, Institute of Economics, Chinese Culture University and Master Degree Department of Economics of NTU. Previously worked as the Company's Vice Chairman, the General Manager of BES Engineering Corp. & Chairman of Core Pacific Securities Investment Trust & Vice General Manager of Bank of Communications and Special Committee Member of the Council for Economic Planning and Development. Currently as Director of BES Engineering Corp. and Director of the Company. Possessed a good knowledge and experience of industry (material: petrochemical, financials: capital markets, real estate: land and real estate management & development & operation, industrial: construction and engineering), operational judgment, leadership decision-making, business management and crisis management capabilities.	None of the paragraphs in Article 30 of the Company Law are applied. (Note 1)	1
Director Shaw-Shin Yang	Who was graduated from University of Taipei, College of Kinesiology and is the founder of QMI as Chairman of Quint Major Industrial Co., Ltd & Chairman of Quint Major Industrial Co., Ltd. & Supervisor of Quint Yi Construction Co., Ltd. & director of the Company. Possessed a good knowledge and experience of industry (non-tech and petrochemical downstream: consumer discretionary: textile), operational judgment, leadership decision-making, business management and crisis management capabilities.	None of the paragraphs in Article 30 of the Company Law are applied. (Note 1)	0

Name	Qualification and experience	Status of independence	Number of public companies where the person holds the title as independent director
Director Kuen-Ming Lin	Graduated from Department of Electrical Engineering NTU and have ever worked in MiTAC, China UNICOM for 10 more years and is the founder of Dexin and Premier Venture Capital Corp. Currently as Chairman and General Manager concurrently of Premier Venture Capital Corp. & Chairman of Premier Capital Management Corp. & Chairman of Ruby Tech Corp. & Director of the Company. Possessed a good knowledge and experience of industry (material: petrochemical, information technology innovation: software & services and technology hardware & equipment, and financials: diversified financial services/venture capital), operational judgment, leadership decision-making, business management and crisis management capabilities.	None of the paragraphs in Article 30 of the Company Law are applied. (Note 1)	1
Independent Director Lian-Sheng Tsai	He holds a M.A., in Graduate Institute of China Studies, Tamkang University. Currently serves as the member of the Audit Committees and the Remuneration Committees. He has previously served as Secretary-General of the Chinese National Federal of Industries, Director of the Research & Development Institute of Vocational Training Republic of China, Deputy Secretary-General of the Cross-Strait CEO Summit, and held various positions. He has expertise in public relations, traditional manufacturing, petrochemical and related industries, technology and startups, operational judgment, leadership, crisis management, industry knowledge, international market perspectives, and decision-making abilities.	1. None of the paragraphs in Article 30 of the Company Law are applied. (Note 1) 2.None of them have been elected by the government, a corporation or its representative in accordance with Article 27 of the Company Law. 3.The followings conditions of the independent director's independence assessment are all met during the 2 years before being elected and assuming the office during the term of office: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or its affiliates (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs. (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the	3
Independent Director Yuan-San Lu	With Juris Doctor, Washington College of Law, The American University and serves as a member of the Audit Committee and the Remuneration Committee of the Company, previously held positions as General Counsel of AAC Technologies Holdings Inc., a consultant at Kingdoms Law Firm, an adjunct associate professor at School of Law, Soochow University, and Vice General Manager of Taiwan East West (Chema) Enterprises, Limited., possessed a good knowledge and experience of industry (petrochemical), operational judgment, leadership decision-making, business management, crisis management and international trade and market capabilities.		0

Name	Qualification and experience	Status of independence	Number of public companies where the person holds the title as independent director
Independent Director Chia-Yu Chiu	Graduated from the B.B.A., Department of Public Finance, Feng Chia University, currently serving as a member of the Audit Committee and the Remuneration Committee of the Company. Previously held positions as Chairman of China Television Company, Ltd., Special Assistant to the Chairman of Want Want China Times Media Group, and Senior Consultant at the Taipei Office of Tainan City Government. Possesses expertise in public relations, operational judgment, accounting and financial analysis, leadership decision-making, business management and crisis handling, industry knowledge, international market perspectives, and decision-making abilities.	total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) Not a director, supervisor, or employee of that other company which a majority of the company's director seats or voting shares and those of any other company are controlled by the same person. (7) Not a director (or governor), supervisor, or employee of that	0
Independent Director Mei-Ling Chen	Holds a Doctor of Juridical Science, National Chengchi University and currently serves as a member of the Audit Committee and the Remuneration Committee of the Company. Previously held positions as Secretary-General of the Executive Yuan, R.O.C., Minister of the National Development Council, R.O.C., Lecturer Professor at CTBC Business School, and Chairman of the Taiwan Regional Revitalization Foundation. Currently serves as the corporate representative director of Witology Technology Co., Ltd., and an independent director of AcBel Polytech Inc. and Wistron Corporation. Possesses expertise in public relations, technology and startups, operational judgment, leadership, crisis management, industry knowledge, and decision-making abilities. Note: Independent Director Mei-Ling Chen resigned on October 1, 2025.	other company or institution which the Chairman, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. (8) Not a director (or governor), supervisor, or employee of that other company or institution which the Chairman, general manager, or person holding 20 percent or more and no more than 50 percent of the total number of issued shares of the public company, and the company and its parent or subsidiary or a subsidiary of the same parent and Not a shareholder holding five percent or more of the shares as well. (9) Not a director (or governor), supervisor, or shareholders holding more than 10% total shares hold more than 30% of the total issued shares of the Company, and both parties have financial or business transaction records. The total shares mentioned in the preceding paragraph includes shares held by the person's spouse, minor children, or held by the person under others' names, Directors (or governor), supervisors, managers or shareholders holding more than 5% of the shares of a specific company or institution that has financial or business with the Company. (10) Not a director (or governor), supervisor, executive or manager, or shareholders holding more than 5% total shares of a specific company or institution, such that it and its group companies engaging in financial or business with,	2

Name	Qualification and experience	Status of independence	Number of public companies where the person holds the title as independent director
		and are the source of 30% or more operating revenue of the Company. (11) Not a director (or governor), supervisor, or shareholders holding more than 5% total shares of a specific company or institution, such that it and its group companies engaging in financial or business with, and are the source of 50% or more of the total volume or total purchase amount of principal raw materials(those that account for 30% or more of total procurement costs, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30% or more of total operating revenue) of the Company. (12) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.	

Note 1: Anyone who has one of the following circumstances shall not appointed as a manager, and those who have already been appointed shall be dismissed accordingly:
Who Has committed a crime stipulated in the Regulations on the Prevention of Organized Crime, has been convicted by a conviction, but has not yet been executed or has not been executed completely or less than five years since completion of execution, expiration of probation, or pardon.
A person who has committed a crime of fraud, breach of trust, or embezzlement has been sentenced to fixed-term imprisonment of more than one year, and the sentence has not yet been executed, the execution has not been completed, or less than 2 years since the completion of the execution, the expiration of the suspended sentence, or the pardon.
A person who has committed a crime under the Code of Corruption and has been convicted of guilt and has not yet been executed, has not been executed yet, or less than 2 years since the completion of the execution, the expiration of the suspended sentence, or the pardon.
Those who have been declared bankrupt or have been ordered to start liquidation procedures and have not been reinstated.
Those who has been rejected to use of Negotiable instrument and the term has not yet expired.
Those who are incapacitated or have limited capacity.
The assisted declaration has not been revoked.

5. Board Diversity and Independence

<u>Board Diversity policy</u>

I. According to Article 20 of the Company's "Corporate Governance Best Practice Principles", the board of directors of the company shall guide the Company's strategy, supervise the management level, and be responsible to the Company and shareholders. Various operations and arrangements of the corporate governance system will ensure that the board of directors follows the laws and regulations, the Company's "Articles of Incorporation" and exercise its functions and powers in accordance with the resolutions of the shareholders' meeting.

II. The Company's "Articles of Incorporation" stipulates that the election of directors shall adopt the candidate nomination system, and the Corporate Governance Best Practice Principles" and "Rules for Election of Directors" stipulate that the composition of the board of directors should take into account the policy of diversity, considering the Company’s business and operation type and to meet the needs of future development, to formulate a diversity policy, including but not limited to the two major aspects of basic qualifications and values, and professional knowledge and skills, as follows:

(I) The structure of the board of directors of the company, subject to the scale of the company's operation and development and the shareholding situation of major shareholders, and considering the needs of the company's operation, an appropriate number of directors should be set up with five or more people. The composition of the board of directors should be comprehensively considered. In addition to that directors who also was appointed as managers of the Company should not exceed one-third of the number of directors, an appropriate diversification policy should be formulated based on the company's business and operation type and future development needs, including but not limited to standard of two major aspects below:

1. Basic qualifications and values: the diversity of gender, age, nationality and cultural background need be considered.
2. Professional knowledge and skills: diversified professional backgrounds, professional skills and industry experiences need to be considered to meet the talents required by the Company.

(II) In order to achieve the ideal goals of corporate governance, members of the board of directors should have the knowledge, skills and qualities necessary to perform their duties, including the following abilities: 1. Operational judgment, 2. Accounting and financial analysis, 3. Leadership, 4. Business Management, 5.Crisis Management, 6.Industry knowledge, 7.International market view, 8.Decision-making.

III. The selection process of the Company's list of director candidates must comply with the qualification review and relevant criteria to ensure that when there is a vacancy in the number of directors or planned additions, the appropriate new director candidates can be effectively identified and selected.

Implementation status of Board Diversity Policy

The nomination of directors of the company is a rigorous selection process, which not only considers professional ability, but also attaches great importance to the reputation of ethical behavior and leadership. When selecting and appointing directors, not only the professional background of directors (including independent directors) themselves, but also knowledge, skills and literacy of diversity is also an important part for all board members to perform their duties. The professional field includes per the policy: 1. Operational judgment, 2. Accounting and financial analysis, 3. Leadership, 4. Business Management, 5.Crisis Management, 6.Industry knowledge, 7.International market view, 8.Decision-making.

CPDC's board of directors has a composition structure of 9 seats, of which currently eight members are in office covering law, financial accounting, land development and industry knowledge and other professional backgrounds, and have rich business management and crisis management capabilities. Currently, there are 3 independent directors account for more than one-third of all members of the board. Besides, there is no spouse or relative within the second degree among the directors, so the board of directors of the Company is independent. In addition, the Company has strengthened board diversity by adding two female director during the 2024 board election. However, one of the female directors resigned in October 2025. Therefore, the number of female directors currently does not reach one-third of the board seats. The company will improve this situation during the next board election. Furthermore, We will actively recruit willing candidates through various channels. The implementation of the Board Diversity Policy is as follows:

Diversity / Core Item / Job title/Name		Basic qualification and Value							Industry experience					Professional knowledge and capacity							
		Gender	Concurrently as employee	Age		Term of office															
				Under 60	Above 61	Under 3 years	3-9 years	Above 9 years	Public relationship	Traditional manufacturing	Petrochemical and related industries	Land development & operations, Civil construction, and	Technology, new ventures	Operational Judgement	Accounting and Financial Analysis	Leadership	Business management	Crisis management	Industry knowledge	International market view	Decision-making
Chairman	Ruey-Long Chen	M			✓			✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Vice Chairman	Hui-Ting Shen	M	✓	✓			✓				✓	✓		✓		✓	✓	✓	✓		✓
Independent Director	Lian-Sheng Tsai	M			✓		✓		✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓
Independent Director	Chia-Yu Chiu	F		✓		✓			✓					✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Yuan-San Lu	M			✓	✓					✓			✓		✓	✓	✓	✓	✓	✓
Director	Jiun-Nan Bai	M			✓			✓			✓	✓		✓		✓	✓	✓	✓	✓	✓
Director	Kuen-Ming Lin	M			✓			✓			✓		✓	✓		✓	✓	✓	✓		✓
Director	Shaw-Shin Yang	M			✓		✓			✓	✓			✓		✓	✓	✓	✓		✓

(II) Information of General Manager, Vice General Manager, Associate Managers, Heads of Departments and Branches

March 24, 2026

Title (Note 1)	Nationality	Name	Gender	Date elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shares held in the name of others		Experience (Education)	Positions Currently Held with Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark (Note 2)
					Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
General Manager (Acting)	Republic of China	Ying-Chun Chen	Male	2024.01.01	242,279	0.006%	0	0.000%	0	0.000%	Senior Manager, Specialist, Manager, Associate and Vice General Manager, CPDC Department of Accounting, Chinese Culture University	Supervisor, Kaohsiung Monomer Company Limited* Supervisor, Tsou Seen Chemical Industries Corporation* Supervisor, Taivex Therapeutics Corporation Director, CPDC Investment (BVI) Co., Ltd.* Chairman, CPDC Green Technology Corp.* Supervisor, Core Pacific Development Corporation* Director, Chung Kung Safeguarding & Security Corp. (Legal representative) Supervisor, Jean Pacific Development Co., Ltd. Supervisor, Weihua (Rudong) Trading Co., Ltd. Supervisor, Weiqiang International Trading (Shanghai) Co., Ltd.* Director, Jiangsu Weiming New Material Co., Ltd.* Supervisor, Weiming (Rudong) Engineering Co., Ltd. Supervisor, Handy Chemical Corporation Legal representative and general manager, Thanh Phong Construction Investment Co., Ltd. Legal representative and chairman of the Committee, Core Pacific Twin Star (Vietnam) Investment Co., Ltd.* Director, BES Engineering Vietnam Company Limited	None	None	None	

Title (Note 1)	Nationality	Name	Gender	Date elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shares held in the name of others		Experience (Education)	Positions Currently Held with Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark (Note 2)
					Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
Special Assistant	Republic of China	Hui-Ting Shen	Male	2022.08.08	0	0.000%	0	0.000%	0	0.000%	Graduate, Department of Electro-Mechanics and Information Management, Lehigh University, USA EMBA, School of Economics and Management, Tsinghua University, Beijing Director, Sheen Chuen-Chi Cultural & Education Foundation Director, Jean Pacific Development Co., Ltd.	Director, Sheen Chuen-Chi Cultural and Educational Foundation Director, Core Pacific Development Corporation (Legal Representative)* Director, Kaohsiung Monomer Co., Ltd. (Legal Representative)* Director, Jean Pacific Development Co., Ltd. (Legal Representative) * Director, Jiangsu Weiming New Material Co., Ltd. *Director, Core Pacific - Yamaichi International (H.K.) Director, Core Pacific - Yamaichi Financial Group Limited Chairman, Shanghai Core Pacific - Consultant Co. Ltd. (Legal Representative) Chairman & General Manager, Beijing Core Pacific - Investment and Consultant Co. Ltd. (Legal Representative) Director, Yangzhou Jing Guo Co., Ltd. Director, Yangzhou Zhuoyue Property Management Co., Ltd. Director, Yangzhou Jingcai Property Co., Ltd. Supervisor, Yangzhou CMK Co., Ltd.	None	None	None	
Vice General Manager	Republic of China	Chien-Hsien Li	Male	2019.08.12	214,526	0.006%	20,500	0.001%	0	0.000%	Director, Specialist, Manager and Plant Manager, CPDC M.S., Institute of Chemical Engineering, National Central University	Director, Kaohsiung Monomer Co., Ltd. (Legal Representative)* Chairman, Tsou Seen Chemical Industries Corporation Director, CPDC Green Technology Corp. (Legal Representative) Chairman, Weihua (Rudong) Trading Co., Ltd. Director, Weiqiang International Trading (Shanghai) Co., Ltd.* Supervisor, Jiangsu Weiming New Material Co., Ltd.* Chairman, Weiming (Rudong) Engineering Co., Ltd.	None	None	None	
Assistant Vice President	Republic of China	Chiao-Pin, Li	Male	2020.09.15	13,193	0.000%	0	0.000%	0	0.000%	Manager and Plant Manager, CPDC Toufen Plant, Production 1st Team M.S., Institute of Chemical	General Manager(Acting), CPDC Green Technology Corp.*	None	None	None	

Title (Note 1)	Nationality	Name	Gender	Date elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shares held in the name of others		Experience (Education)	Positions Currently Held with Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark (Note 2)
					Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
											Engineering, Yunlin University of Science and Technology					
Assistant Vice President	Republic of China	Linda Yang	Female	2018.01.01	1 79,913	0.002%	5,250	0.000%	0	0.000%	Associate, Legal Affairs Department, CPDC Ph.D., Graduate School of Law, National Taipei University	Director, Taivex Therapeutics Corporation (Legal Representative) Supervisor, Jiangsu Weiming New Material Co., Ltd. Director, Frontier Fortune Investment Pte. Ltd. Director, BES Engineering Vietnam Company Limited	None	None	None	
Assistant Vice President	Republic of China	Tai-Chang Chen	Male	2024.06.25	0	0.000%	0	0.000%	0	0.000%	Associate, Strategy Planning Department, CPDC PhD, National Chiao Tung University Institute of Environmental Engineering	Director, Taivex Therapeutics Corporation (Legal Representative)	None	None	None	
Assistant Vice President e	Republic of China	Tsung-Chien Wang	Male	2019.08.12	14,016	0.000%	0	0.000%	0	0.000%	Manager, CPDC Dashe Plant, Technical Team M.S., Institute of Chemical Engineering, Yuan Ze University	None	None	None	None	

Title (Note 1)	Nationality	Name	Gender	Date elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shares held in the name of others		Experience (Education)	Positions Currently Held with Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark (Note 2)
					Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
Plant Manager	Republic of China	Chi-Tsung Kao	Male	2020.10.01	220,332	0.006%	0	0.000%	0	0.000%	Engineer, Construction Engineering Division, CPDC CPLIII Duty Supervisor, Senior Engineer, Director, Manager of Technical Team, Siaogang District M.S., Institute of Chemical Engineering, Tamkang University	Director, Tsou Seen Chemical Industries Corporation (Legal Representative) * Director, CPDC Green Technology Corp. (Legal Representative)* Director, Weihua (Rudong) Trading Co., Ltd.	None	None	None	
Plant Manager	Republic of China	Yong-Shan Chen	Male	2023.01.01	8,000	0.000%	3,000	0.000%	0	0.000%	Assistant Manager of Management Section in Douliou Plant, CPDC Bachelor of Department of Chemical Engineering, National Kaohsiung University of Applied Sciences	None	None	None	None	
Senior Manager	Republic of China	Chin-I Li	Male	2018.01.01	35,000	0.001%	0	0.000%	0	0.000%	Deputy Executive Secretary, Anshun Center Manager, Management Division, CPDC Dashe Plant M.S., Institute of Chemistry, National Cheng Kung University	Director, Chung Kung Safeguarding & Security Corp. (Legal Representative)	None	None	None	

Title (Note 1)	Nationality	Name	Gender	Date elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shares held in the name of others		Experience (Education)	Positions Currently Held with Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark (Note 2)
					Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
Senior Manager	Republic of China	Yen-Li Wang	Male	2021.06.01	0	0.000%	0	0.000%	0	0.000%	Manager, Raw Material Procurement Division, CPDC M.S., Institute of Human Resource Management, National Central University	Director, Tsou Seen Chemical Industries Corporation (Legal Representative)* Director, Weihua (Rudong) Trading Co., Ltd. Director, Weiqiang International Trading (Shanghai) Co., Ltd.	None	None	None	
Manager	Republic of China	Chih-Wei Chang	Female	2018.01.01	50,000	0.001%	0	0.000%	0	0.000%	Manager, Administration Section, Research and Development Division, CPDC Masters in Materials Engineering, NSYSU	None	None	None	None	
Manager	Republic of China	Chih-Yuan Yang	Male	2018.01.01	118,528	0.003%	0	0.000%	0	0.000%	Project Manager, Construction Engineering Division, CPDC China Business Unit Department of Chemistry and Engineering, National Taiwan University of Science and Technology	None	None	None	None	
Manager	Republic of China	Fang-Mo Chien	Male	2018.01.01	101,457	0.003%	918	0.000%	0	0.000%	Manager, Manufacturing Division, CPDC Dashe Plant M.S., Institute of Chemical Engineering, National Cheng Kung University	None	None	None	None	
Manager	Republic of China	Kuan-Te Chien	Male	2018.01.01	50,084	0.001%	320	0.000%	0	0.000%	M.S., Institute of Information Management, Kaohsiung University of Applied Science and Technology	None	None	None	None	

Title (Note 1)	Nationality	Name	Gender	Date elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shares held in the name of others		Experience (Education)	Positions Currently Held with Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark (Note 2)
					Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
Manager	Republic of China	Wen-Yuan Tseng	Male	2019.08.12	17,152	0.000%	0	0.000%	0	0.000%	Sales Supervisor of China Huanan Region, Taiwan Cement Corporation Master of Business Administration (Dual Degree Program), National Chengchi University (NCCU)Acting Head and Assistant manager, manager of Business Division, CPDC Department of Business, Soochow University IMBA, Graduate Institute of International Business, Tamkang University	General manager, Tsou Seen Chemical Industries Corporation Director and general manager, Weiqiang International Trading (Shanghai) Co., Ltd.	None	None	None	
Manager	Republic of China	Cheng-Lung Chang	Male	2022.08.01	0	0.000%	0	0.000%	0	0.000%	Department of Information Management, National Pingtung Institute of Commerce	None	None	None	None	
Manager	Republic of China	Yong-Long Chen	Male	2023.06.21	83,000	0.002%	0	0.000%	0	0.000%	Manager of Information Division, CPDC M.S., Information Management, Tamkang University	None	None	None	None	

* Refer to the reinvestment companies of the Company using the equity method

Note 1: The information of General Manager, vice General Manager, associate managers, heads of departments and branches, and anyone whose position is equivalent to that of a General Manager, vice General Manager or associate manager shall be included.

Note 2: If the Chairperson of the Company and the General Manager or equivalent (the top managerial officer) are the same person, relatives of each other, such as, spouse or the relative in the 1st degree of kinship, it is necessary to explain the reason, rationality, necessity, and corresponding measure (such as, increasing the number of independent directors, and there should be more than half of the directors who are not an employee or managerial officer, etc.) related information.

Note 3: If the General Manager, or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

II. Remuneration of Directors (Including Independent Directors), General Manager, and Vice General Manager

(I) Remuneration to Directors and Independent Directors (Names and remuneration thereof to be disclosed individually)

December 31, 2025 Unit: NT$ thousands

Title	Name	Remuneration to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income After Tax (%) (Note 10)				Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income After Tax (%) (Note 10)				Remuneration Paid to Directors from an Invested Company Other than the Company's Subsidiary or from Parent Company (Note 11)
		Remuneration (A) (Note 2)		Pension (B)		Remuneration to Directors (C) (Note 3)		Business Execution Expenses (D) (Note 4)						Salary, Bonus, and Allowance (E)		Severance Pay (F)		Employee Compensation (G) (Note 6)								
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company		All companies in the consolidated financial statements (Note 7)		The Company		All companies in the consolidated financial statements (Note 7)		
																		Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock					
Chairman	Core Pacific Co., Ltd. Representative: Ruey-Long Chen	10,645	10,645	0	0	0	0	0	15	10,645	-0.3588%	10,660	-0.3594%	0	0	0	0	0	0	0	0	10,645	-0.3588%	10,660	-0.3594%	3,672
Vice Chairman	Yao Chuen Co., Ltd. Representative: Hui-Ting Shen	4,389	4,389	0	0	0	0	0	0	4,839	-0.1631%	4,839	-0.1631%	0	0	0	0	0	0	0	0	4,839	-0.1631%	4,839	-0.1631%	118
Director	Jen Huei Enterprise Co., Ltd. Representative: Shaw-Shin Yang	480	480	0	0	0	0	0	0	480	-0.0162%	480	-0.0162%	0	0	0	0	0	0	0	0	480	-0.0162%	480	-0.0162%	0
Director	BES Engineering Corp. Representative: Jiun-Nan Bai	480	480	0	0	0	0	0	0	480	-0.0162%	480	-0.0162%	0	0	0	0	0	0	0	0	480	-0.0162%	480	-0.0162%	0
Director	C.P. Leasing Co., Ltd. Representative: Kuen-Ming Lin	480	480	0	0	0	0	0	20	480	-0.0162%	500	-0.0169%	0	0	0	0	0	0	0	0	480	-0.0162%	500	-0.0169%	0
Independent Director	Lian-Sheng Tsai◎☆	1,800	1,800	0	0	0	0	0	0	1,800	-0.0607%	1,800	-0.0607%	0	0	0	0	0	0	0	0	1,800	-0.0607%	1,800	-0.0607%	0
Independent Director	Yuan-San Lu◎☆	1,800	1,800	0	0	0	0	0	0	1,800	-0.0607%	1,800	-0.0607%	0	0	0	0	0	0	0	0	1,800	-0.0607%	1,800	-0.0607%	0
Independent Director	Chia-Yu Chiu◎☆	1,800	1,800	0	0	0	0	0	0	1,800	-0.0607%	1,800	-0.0607%	0	0	0	0	0	0	0	0	1,800	-0.0607%	1,800	-0.0607%	0

Title	Name	Remuneration to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income After Tax (%) (Note 10)				Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income After Tax (%) (Note 10)				Remuneration Paid to Directors from an Invested Company Other than the Company's Subsidiary or from Parent Company (Note 11)
		Remuneration (A) (Note 2)		Pension (B)		Remuneration to Directors (C) (Note 3)		Business Execution Expenses (D) (Note 4)						Salary, Bonus, and Allowance (E)		Severance Pay (F)		Employee Compensation (G) (Note 6)								
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company		All companies in the consolidated financial statements (Note 7)		The Company		All companies in the consolidated financial statements (Note 7)		
																		Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock					
Independent Director 2025/10/1 resigned	Mei-Ling Chen◎☆	1,350	1,350	0	0	0	0	0	0	1,350	-0.0455%	1,350	-0.0455%	0	0	0	0	0	0	0	0	1,350	-0.0455%	1,350	-0.0455%	0

1. Please state the policies, systems, standards, and structure of independent directors 'remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment: The remuneration to the Directors is authorized by the Board of Directors in accordance with the Company's Articles of Incorporation and is based on the Directors' participation in the Company's operations and the value of their contributions, with reference to domestic and international industry standards. If the Company makes any profit, the Board of Directors shall, in accordance with the Company's Articles of Incorporation, resolve the amount of remuneration to Directors. If the Independent Director is a member of a functional committee of the Company, in addition to the ordinary remuneration of a director, he/she shall be paid a different and reasonable remuneration, taking into account his/her responsibilities, risks and time commitment. (◎ refers to Audit Committee member, ☆ refers to Remuneration Committee member)
2. Except as disclosed in the above chart, remuneration to directors received due to the service (e.g., as the consultant of non-employee of parent company/all companies included in the financial report/reinvestment business) provided to all companies listed in the financial statement in the most recent year: None.

Note 1: The name of directors shall be listed separately (for corporate shareholders, the names of such corporate shareholders and their representatives shall be listed separately), with their titles (Director or Independent Director) being listed separately, and the various payments shall be disclosed in aggregate.

Note 2: Refereed to the remuneration paid to directors in the most recent year (including their salaries, duty allowance, severance payments, bonuses, and performance rewards).

Note 3: Fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4: Business expenses paid out to directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods such as cars). In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the actual lease payment or lease payment measured at fair market value, oil and other payments shall be disclosed. If a driver is assigned, please specify the payment made by the Company to the driver, but exclude the same from the remuneration.

Note 5: Referred to the remuneration paid to directors in the recent year who simultaneously held another position in the Company (as a General manager, vice general manager, manager, or an employee), including salaries, duty allowances, severance payments, bonuses, performance rewards, transport fees, special expenses, various allowances, accommodation, and provision of physical items such as a car. In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the actual lease payment or lease payment measured at fair market value, oil and other payments shall be disclosed. If a driver is assigned, please specify the payment made by the Company to the driver, but exclude the same from the remuneration. The salary expenses recognized in accordance with IFRS 2 "Share-based Payment", including acquisition of employee stock option certificates and restricted stock awards (RSA), and participation in subscription of new shares in a capital increase by cash, shall also be accounted for as remuneration.

Note 6: Referred to the employee compensation (including cash and stock) received by a director who simultaneously held another position in the Company (as a general manager, vice general manager, manager, and an employee) for the recent year, disclose the amount of remuneration distributed to employees after being approved by the Board for the past year. For amounts that are unable to estimate, propose the distribution amount for the year based on the actual distribution made last year, and fill out the Table "Names of Managers Who Distributed Employee Compensation and the Status of Distribution".

Note 7: Total remuneration in various items paid out to the Company's directors by all companies (including the Company) listed in the consolidated statements shall be disclosed.

Note 8: For the total remuneration in various items paid out to the Company's directors, the name of each director shall be disclosed in the corresponding range of the remuneration.

Note 9: It is required to disclose the various remuneration in the aggregate paid by the Company and all consolidated entities to each director, whose name is also required to be disclosed in the range of remuneration to which they belong. Total Amount on CPDC Name of in various items paid out to the Company's directors by all companies (including the Company) listed in the consolidated statements shall be disclosed.

Note 10: Net income after tax shall refer to the earnings after tax identified in the entity or the parent company only financial statement for the most recent year.

Note 11: a. Compensations received by the directors from other non-subsidiary companies invested by the Company or the parent company shall be disclosed in this column (If there is none, please fill in "none").
b. Where a director has received compensation from an investee other than the Company's subsidiaries or the parent company, such remuneration shall be consolidated into column I of the Table of Remuneration Range, which column shall then be changed to the title of "Parent Company and All Reinvestment."
c. Remuneration denotes the rewards, compensation (including compensation for an employee, a director and a supervisor) and related remuneration in connection with business expenses that are paid to one of the Company's directors who serves as a director, supervisor or manager for an investee other than the Company's subsidiaries or the parent company.

* Since the contents of the remuneration disclosed in this table are different from the concept of income used in the Income Tax Act, the purpose of this table is for disclosure, not for taxation use.

(II) Remuneration to General Manager and Vice General Manager (Summarized in accordance with the Range of Remuneration disclosed)

December 31, 2025 Unit: NT$ thousands

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonus and Special Fee (C)(Note 3)		Profit Sharing Employee Bonus (D)(Note 4)				Ratio of Total Remuneration (A+B+C+D) to Net Income After Tax (%) (Note 8)				Remuneration Paid to Directors from an Invested Company Other than the Company's Subsidiary or from Parent Company (Note 9)
		The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company		All companies in the consolidated financial statements (Note 5)		The Company		All companies in the consolidated financial statements		
								Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock					
CEO (Resigned on October 1, 2025)	Ruey-Long Chen	8,379	8,379	0	0	0	120	0	0	0	0	8,379	-0.28%	8,499	-0.29%	2,635
General Manager (Acting) (Concurrently serves as Vice General Manager of Operation Management Division)	Ying-Chun Chen															
Vice General Manager of Production and Marketing Business Division	Chien-Hsien Li															

* Regardless of the title, any position equivalent to the general manager or vice general manager (for example: General Manager, CEO, chief operational officer...etc.) shall also be disclosed.

Range of Remuneration

Range of Remuneration Paid to the General Manager and Vice General Manager	Name of General Manager and Vice General Manager	
	The Company (Note 6)	Parent company and all investee enterprises (Note 7)E
Under NT$1,000,000	Ruey-Long Chen	
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)		
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)		Ruey-Long Chen
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)	Ying-Chun Chen/Chien-Hsien Li	Chien-Hsien Li
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)		Ying-Chun Chen
NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive)~NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive)~NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive)~NT$100,000,000 (exclusive)		
NT$100,000,000 or above		
Total	3 persons	3 persons

Note 1: The names of the General Managers and Vice General Managers shall be listed separately and the payments shall be disclosed collectively.

Note 2: Referred to the salary, duty allowances and severance payments paid to the General Managers and Vice General Managers in the most recent year.

Note 3: Referred to the compensation paid to General Managers and Vice General Managers, namely bonuses, performance rewards, transport fees, special allowances, other allowances, accommodation, provision of physical items such as a car, and other compensation for the most recent year. In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the actual lease payment or lease payment measured at fair market value, oil and other payments shall be disclosed. If a driver is assigned, please specify the payment made by the Company to the driver, but exclude the same from the remuneration. The salary expenses recognized in accordance with IFRS 2 “Share-based Payment”, including acquisition of employee stock option certificates and restricted stock awards (RSA), and participation in subscription of new shares in a capital increase by cash, shall also be accounted for as remuneration.

Note 4: Please specify the employee bonus (proposed amount). to be allocated to the General Managers and Vice General Managers as approved by the Board of Directors prior to the motion for allocation of earnings submitted to the shareholders' meeting in the most recent year. If it is impossible to impute the same, the amount to be allocated this year shall be based on that allocated physically last year, and please also specify the table “Names of Managers Who Distributed Employee Compensation and the Status of Distribution”.

Note 5: Total remuneration in various items paid out to the Company’s General Manager and Vice General Manager by all companies(including the Company) listed in the consolidated statements shall be disclosed.

Note 6: For the total remuneration General Manager and Vice General Manager various items paid out to the Company’s directors, the name of each director shall be disclosed in the corresponding range of the remuneration.

Note 7: Total compensations of various items paid out to this Company's General Manager and Vice General Managers by all companies (including the Company) listed in the consolidated financial statements shall be disclosed.

Note 8: Net income after tax shall refer to the earnings after tax identified in the entity or the parent company only financial statement for the most recent year.

Note 9: a. Compensations received by the General Manager and Vice General Manager from other non-subsidiary companies invested by the Company or the parent company shall be disclosed in this column (If there is none, please fill in "none").

b. Where a General Manager or Vice General Managers has received compensation from an investee other than the Company’s subsidiaries or the parent company, such remuneration shall be consolidated into column E of the Table of Remuneration Range, which column shall then be changed to the title of “Parent company and all investee enterprises.”

c. Remuneration denotes the rewards, compensation (including compensation for an employee, a director and a supervisor) and related remuneration in connection with business expenses that are paid to one of the Company’s General Manager or Vice General Managers who serves as a General Manager Vice General Manager, supervisor or manager for an investee other than the Company’s subsidiaries or the parent company.

* Since the contents of the remuneration disclosed in this table are different from the concept of income used in the Income Tax Act, the purpose of this table is for disclosure, not for taxation use.

* The remuneration disclosed herein is disclosed based on estimations and on an accrual basis.

Remuneration to General Manager(s) and Vice General Manager(s) (Individual Disclosure of Names and Remuneration Items) (Note 1)

December 31, 2025 Unit: NT$ thousands

Title	Name	Salary (A) (Note 2)		Retirement pay and pension (B)				Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 6)				Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 7)
		The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company		All companies in the consolidated financial statements (Note 5)		The Company		All companies in the consolidated financial statements		
								Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock					
General Manager (Acting) (Concurrently serves as Vice General Manager of Operation Management Division)	Ying-Chun Chen	4,835	4,835	0	0	0	86	0	0	0	0	4,835	-0.1630%	4,921	-0.1659%	177
Vice General Manager of Production and Marketing Business Division	Chien-Hsien Li	3,544	3,544	0	0	0	24	0	0	0	0	3,544	-0.1195%	3,568	-0.1203%	109
Plant Manager	Chi-Tsung Kao	2,723	2,723	0	0	0	36	0	0	0	0	2,723	-0.0918%	2,759	-0.0930%	0
Plant Manager	Tsung-Chien Wang	2,529	2,529	0	0	0	0	0	0	0	0	2,529	-0.0853%	2,529	-0.0853%	0
Assistant Vice President	Tai-Chang Chen	2,363	2,363	0	0	0	10	0	0	0	0	2,363	-0.0797%	2,373	-0.0800%	0

Note 1: "Management personnel" in the "Five Highest Remunerated Management Personnel" means managerial officers of the Company. "Managerial officers" means those falling within the applicable scope defined in 27 March 2003 Order No. Tai-Cai-Zheng-III-0920001301 of the former Securities and Futures Commission, Ministry of Finance. The "five highest remunerated" is calculated as those ranked in the top five in remuneration based on the sum total of the amounts of salary, pension, bonus and special fee, and profit sharing employee bonus (i.e., the

sum of items A+B+C+D) received by each of the Company's managerial officers from all companies in the consolidated financial reports. If any concurrently serving director(s) is among those top, fill out this table and also Table "Remuneration to Directors and Independent Directors".

Note 2: This refers to the salary, duty allowances, and severance pay of each of the five highest remunerated management personnel in the most recent fiscal year.

Note 3: This refers to the amount of all rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, and other remuneration of the five highest remunerated management personnel in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the five highest remunerated management personnel in the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table "Names of Managers Who Distributed Employee Compensation and the Status of Distribution" should also be completed.

Note 5: Disclose the total amount of remuneration in each category paid to the five highest remunerated management personnel by all companies in the consolidated financial report (including the Company).

Note 6: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 7: a. In this column, specifically disclose the amount of remuneration received by the five highest remunerated management personnel of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. Remuneration means remuneration received by the five highest remunerated management personnel of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

(III) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2025; Unit: NT$ thousands

	Title (Note 1)	Name (Note 1)	Amount in Stock	Amount in Cash	Total	Ratio of Total Amount to Net Income After Tax (%)
	Special Assistant	Hui-Ting Shen*	0	0	0	0
	General Manager (Acting)	Ying-Chun Chen				
	Vice General Manager	Chien-Hsien Li				
	Assistant Vice President	Chiao-Pin Li				
	Assistant Vice President	Linda Yang				
	Assistant Vice President	Tai-Chang Chen				
	Plant Manager	Tsung-Chien Wang				
	Plant Manager	Chi-Tsung Kao				
	Plant Manager	Hung-Lung Chen				
	Senior Manager	Chin-I Li				
	Senior Manager	Chang-Hung Chien				
	Senior Manager	Yen-Li Wang				
	Manager	Chih-Wei Chang				
	Manager	Yung-Long Chen				
	Manager	Wen-Yuan Tseng				
	Manager	Fang-Mo Chien				
	Manager	Cheng-Lung Chang				
	Manager	Chih-Yuan Yang				

	Title (Note 1)	Name (Note 1)	Amount in Stock	Amount in Cash	Total	Ratio of Total Amount to Net Income After Tax (%)
	Manager	Kuan-Te Chien				

Note 1: Individual names and titles shall be disclosed, whereas earnings distribution may be disclosed in the aggregate.

Note 2: Please specify the employee bonus (proposed amount). to be allocated to the managers as approved by the Board of Directors prior to the motion for allocation of earnings submitted to the shareholders' meeting in the most recent year. If it is impossible to impute the same based on that allocated physically last year. Net income after tax shall refer to the earnings after tax identified in the entity or the parent company only financial statement for the most recent year. If the IFRSs are adopted, the net income after tax shall refer to the earnings after tax identified in the entity or the parent company only financial statement for the most recent year

Note 3: The scope of managerial officers shall be defined in the following manner, as per the Board's decree under Tai-Tsai-Cheng-3-Tze No. 0920001301 dated on March 27, 2003:

(1) General Manager and equivalents;

(2) Vice General Manager and equivalents;

(3) Associate and equivalents;

(4) Chief of Financial Department;

(5) Chief of Accounting Department;

(6) Any other persons in charge of the Company's affairs and entitled to sign instruments on behalf of the Company.

Note 4: If the Directors, General Manager and Vice General Managers who have received payment as employees (including stock and cash), fill in this table in additional to Table “Method for Disclosure of Remuneration”.

*In order to comply with the Company's operating policies, Hui-Ting Shen has served as the vice chairman since 30 May, 2024

(IV) Specify and compare the salary to directors, general managers and vice general managers of the Company in proportion to the earnings after tax from the Company and companies included in the unconsolidated financial statements in the most recent 2 years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk.

1. Total compensation paid to directors, general managers, and vice general managers as a percent of earnings after tax of the unconsolidated financial statements in the most recent 2 years (calculated based on estimations and on an accrual basis):

Item	The Company				All companies included into the consolidated financial statements			
	2024		2025		2024		2025	
	Total Amount (NT$ thousands)	Ratio to Net Income After Tax	Total Amount (NT$ thousands)	Ratio to Net Income After Tax	Total Amount (NT$ thousands)	Ratio to Net Income After Tax	Total Amount (NT$ thousands)	Ratio to Net Income After Tax
Remuneration to Directors	25,250	10.19%	23,673	-0.798%	25,310	10.22%	23,708	-0.799%
Remuneration to General Managers, and Vice General Managers	10,059	4.06%	8,379	-0.28%	10,152	4.10%	8,499	-0.29%
Net Income After Tax	247,675	-	(2,966,374)	-	247,675	-	(2,966,374)	-

(1)The total directors' remuneration for year 2025 decreased slightly compared to the prior year, primarily attributable to after-tax net loss in 2025, which resulted in a reduction in directors’ remuneration.

(2)The total remuneration for the General Manager and Vice General Manager in 2025 also declined compared to the prior year. This was primarily due to after-tax net loss in 2025, resulting in lower overall remuneration.

2. The policies, standards, combinations, procedure of decision-making of remunerations, and their relation to business performance and future risk:

(1) The remuneration to the Company's (Executive) Chairman, (Executive) Vice Chairman, and directors was based on remuneration, transportation allowance and attendance allowance applicable in the same industry domestically and overseas, taking the performance and risk into consideration, and paid in accordance with Article 28 of the Company's Articles of Incorporation. According to Article 32 of the Articles of Incorporation, 2% of the earnings shall be allocated as remuneration to directors according to the motion for allocation of shareholders' dividends.

The remuneration to the Company's general managers and vice general managers (including salary, allowance and bonus, etc.) will be evaluated based on market intelligence, seniority, responsibilities, experience, performance and risk, and paid in accordance with Article 29 of the Company Act. The Company established the Remuneration Committee in September 2011. As the companies included into the consolidated financial statements are invested and wholly owned by the Company, the Company's remuneration policy shall apply.

(2) The Company's employee remuneration system is based on performance orientation, implementation of supervisory responsibilities, and consideration of market conditions and the Company's payment ability. In conjunction with the performance evaluation measures, it is specified that the KPIs shall include ESG indicators, and the performance evaluation results will affect the salary adjustments and the issuance of performance bonuses.

Relevant bonuses are performance-oriented and are determined with reference to the Company's annual operating performance, financial status and individual work performance. The content of the remuneration structure includes: basic salary, subsidies, additional pay, bonuses, and other payments required by laws and regulations.

Employees who act as supervisors, according to their responsibilities, management range, etc. will be granted with supervisor allowances; non-management employees who are assigned with specific professional tasks will be granted with professional allowances; employees with specific qualifications (certificates) serve as the necessary dedicated personnel will be granted with special subsidies; employees who hold specific positions or work under special conditions will be given job subsidies.

(3) Regarding the procedures for establishing remuneration, in addition to considerations of the overall operating performance, industry outlook, risk management, and future development, we also consider personal performance and contributions to the Company's overall performance in the remuneration. Related performance evaluation and remuneration considerations are submitted to the Remuneration Committee and the Board of Directors for approval. Depending on operating conditions and related regulations, we also further review and revise our remuneration as necessary, with the aim of achieving a balance between sustainable management and risk controls.

III. Implementation of Corporate Governance

(I) Implementation Status of the Board of Directors:

The 23rd Board of Directors (2025/1/1-2025/12/31) held 11 Board Meetings (A). The attendance record of directors is listed below:

Title	Name (Note 1)	Representative	Actual attendance (B)	Attendance by proxy	Actual attendance Rate (%) (B/A) (Note 2)	Remark
Chairman	Core Pacific Co., Ltd.	Ruey-Long Chen	11	0	100	
Vice Chairman	Yao Chuen Co., Ltd.	Hui-Ting Shen	8	0	72.73	
Independent director	Yuan-San Lu		10	1	90.91	
Independent director	Chia-Yu Chiu		10	1	90.91	
Independent director	Mei-Ling Chen		7	0	100	2025/10/1 resigned
Independent director	Lian-Sheng Tsai		11	0	100	
Director	BES Engineering Corp.	Jiun-Nan Bai	9	2	81.82	
Director	C.P. Leasing Co., Ltd.	Kuen-Ming Lin	9	2	81.82	
Director	Jen Huei Enterprise Co., Ltd.	Shaw-Shin Yang	8	3	72.33	

Other notes:

I. If the operation of Board of Directors has one of the following situations, the minutes shall clearly state the meeting date, period, content of the resolution, opinions of all independent directors, and the Company's handling of the opinions of the independent directors:

(I) The resolutions in the Board meeting are in accordance with Article 14-3 of the Securities and Exchange Act. are as follows: The Company has established an Audit Committee, which, in accordance with Article 14-5 of the Securities and Exchange Act, is not subject to the provisions of Article 14-3 of the same Act. For details regarding matters stipulated under Article 14-5 of the Securities and Exchange Act, please refer to section (II) "Implementation Status of the Audit Committee."

(II) Items in board resolutions regarding which independent directors have voiced opposing or qualified opinions on the record or in writing: None for this year.

II. In instances where a director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the motion and resolution thereof, the reason for not voting and actual voting counts:

(1) Motion: The Company will issue a Letter of Commitment for Continued Operations for Core Pacific Development Corporation as required for audit procedures conducted by KPMG.

Recusal: Vice Chairman Hui-Ting Shen, who is a director of Core Pacific Development Corporation, recused himself from discussions and voting due to a conflict of interest related to the case.

(2) Motion: Proposed disposal of the indirectly held Changzhou Weicai New Material Science & Technology Co., Ltd.

Recusal: Chairman Ruey-Long Chen, who is a director of Changzhou Weicai Company, recused himself from discussions and voting due to a conflict of interest related to the case.

(3) Motion: Collateralized property security will increase equivalent to RMB 70 million in connection with the Company’s endorsement and guarantee facility provided to its Mainland China subsidiary, Changzhou Weicai New Material Science & Technology Co., Ltd.

Recusal: Chairman Ruey-Long Chen, who is a director of Changzhou Weicai Company, recused himself from discussions and voting due to a conflict of interest related to the case.

(4) Motion: The Company and Core Pacific Development Corp. have reached an agreement with the syndicated lending banks regarding amendments to certain terms of the syndicated loan, and have agreed to execute the Third Supplemental Agreement to the Syndicated Loan Agreement.

Recusal: Vice Chairman Hui-Ting Shen, who is a director of Core Pacific Development Corporation, recused himself from discussions and voting due to a conflict of interest related to the case.

(5) Motion: The Company plans a cash capital increase of NT$2.615 billion for its major subsidiary, Core Pacific Development Corp.

Recusal: Vice Chairman Hui-Ting Shen, who is a director of Core Pacific Development Corporation, recused himself from discussions and voting due to a conflict of interest related to the case.

(6) Motion: The Company will issue a Letter of Commitment for Continued Operations for Core Pacific Development Corporation as required for audit procedures conducted by KPMG.

Recusal: Vice Chairman Hui-Ting Shen, who is a director of Core Pacific Development Corporation, recused himself from discussions and voting due to a conflict of interest related to the case.

(7) Motion: Capital reduction by cash return will be carried out by the Company's subsidiaries, CPDC Green Technology Corp. and Thanh Phong Construction Investment Co., Ltd.

Recusal: Chairman Ruey-Long Chen, who is the Chairman of the Committee of Thanh Phong Construction Investment Co., Ltd., recused himself from discussions and voting due to a conflict of interest related to the case.

(8) Motion: An asset impairment case for Weicai Company is planned to be recognized in the consolidated preliminary financial statements for the second quarter of 2025.

Recusal: Chairman Ruey-Long Chen, who is a director of Changzhou Weicai Company, recused himself from discussions and voting due to a conflict of interest related to the case.

(9) Motion: Proposed adjustment of base price of the disposal of the indirectly held Changzhou Weicai New Material Science & Technology Co., Ltd.

Recusal: Chairman Ruey-Long Chen, who is a director of Changzhou Weicai Company, recused himself from discussions and voting due to a conflict of interest related to the case.

(10) Motion: The Company's Vietnam subsidiary, Thanh Phong Construction Investment Co., Ltd. will be dissolved and liquidated.

Recusal: Chairman Ruey-Long Chen, who is the Chairman of the Committee of Thanh Phong Construction Investment Co., Ltd., recused himself from discussions and voting due to a conflict of interest related to the case.

(11) Motion: Resignation of Mr. Ruey-Long Chen, CEO of the Company.

Recusal: This case involves Chairman Ruey-Long Chen, who has a personal conflict of interest, and as such, he recused himself from discussions and voting.

(12) Motion: The Company provides endorsement and guarantee to its subsidiaries.

Recusal: Vice Chairman Hui-Ting Shen, who is a director of Core Pacific Development Corporation, recused himself from discussions and voting due to a conflict of interest related to the case.

(13) Motion: Regarding the claim application for the Company's Directors, Supervisors, and Key Personnel Liability Insurance.

Recusal: This case involves Chairman Ruey-Long Chen, Vice Chairman Hui-Ting Shen, Independent Directors Lian-Sheng Tsai, Directors Jiun-Nan Bai, Kuen-Ming Lin who have personal conflict of interest, and as such, they recused themselves from discussions and voting.

III. The evaluation cycles, evaluation periods, scope and method of evaluation, and contents of evaluation for evaluating the performance of the board members (on themselves or peers). The implementation of evaluation for the Board of Directors:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Content of Evaluation
Once three years	The most recent external performance evaluation of the Board of Directors was done in 2021. Considering that the Company's Board of Directors was elected at the shareholders' meeting at the end of May 2024, if an external independent professional institution were commissioned to conduct an evaluation in 2024, the assessment period would span two board terms. This would make it challenging to conduct a comprehensive evaluation of the newly appointed board and provide relevant recommendations. Therefore, the evaluation cycle has been adjusted, starting from 2025, to be conducted every three years as the base year. In 2025, due to the unfavorable outlook of the petrochemical industry's core business and the transitional period of upgrading and transformation, as well as the highly confidential nature of recent board proposals, the risk of information leakage must be minimized. Therefore, no external agency was commissioned to conduct the board performance evaluation for the year 2025.			
Once a year	Evaluating the performance	Board of Directors, each director	Internal evaluation of the	1. Evaluation of performance for the Board of Directors: Including participation in the

	from January 1, 2025 to December 31, 2025.	member and Functional Committees (including Audit Committee and Remuneration Committee) and individual members.	Board of Directors, Functional Committees (including Audit Committee and Remuneration Committee) and individual members.	operation of the Company, enhancement of the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control; a total of 45 questions for the five major aspects. 2. Evaluation of performance for the individual board members: 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; a total of 23 questions for the six major aspects. 3. Evaluation of performance for the Audit Committee: Including participation in the operation of the Company, awareness of the duties of the Audit Committee, the quality of decisions made by the Audit Committee, makeup of the Audit Committee and election of its members, and internal control; a total of 22 questions for the five major aspects. 4. Evaluation of performance for the Remuneration Committee: Including participation in the operation of the Company, awareness of the duties of the Remuneration Committee, the quality of decisions made by the Remuneration Committee, the makeup of the Remuneration Committee and election of its members; a total of 18 questions for the four major aspects.

IV. Measures undertaken during the current year and past year in order to strengthen the functions of the Board of Directors (such as the establishment of the Audit Committee and improvement of information transparency, etc.) and assessment of their implementation:

(I) In 2025, the Company conducted an internal evaluation of the performance of the Board of Directors, individual directors, Audit Committee and remuneration committee in accordance with the "Regulations of Performance Evaluation for Board of Directors".

(II) The results of the internal and external performance evaluation of the Board of Directors in 2025 could be referred to Chapter 2 Corporate Governance Report and III. Implementation of Corporate Governance and its deviation from the Corporate Governance Best-Practice Principles for the TWSE/GTSM Listed Companies, and reasons thereof (note2)

(III) The above evaluation results and improvement suggestions were reported at the 19th session of the 23rd Board of Directors on March 12, 2026.

Note 1: For directors and supervisors acting as institutional shareholders, the names of the institutional shareholders and its representative shall be disclosed.

Note 2:

(1) Where a director or a supervisor resigns before the end of the annual period, the note column shall be annotated with the date of resignation. Actual attendance (presence) rate (%) shall be calculated as at the number of times of attendance (presence) in person divided by the number of Board Meetings held during his/her term of service.

(2) Where an election of directors or supervisors is held before the end of the annual period, list the names of both the incoming and outgoing directors or supervisors in the note column with annotations specifying whether the directors or supervisors are outgoing, incoming or reelected, as well as the date of the election. Actual attendance (presence) rate (%) shall be calculated as at the number of times of attendance (presence) in person divided by the number of Board Meetings held during his/her term of service.

(II) Implementation Status of the Audit Committee:

For the professional qualifications of each member of the Audit Committee, please refer to the Company's Annual Report, Chapter 2 Corporate Governance Report, the second paragraph is "4. Information on Directors in professionalism and independence" for directors, supervisors, general managers, vice general managers, assistant vice general managers, and heads of various departments and branches.

A total of 10 meetings (A) were held by the 5th Audit Committee (2025/1/1-2025/12/31). The attendance of independent directors is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Attendance Rate (%) (B/A) (Note 1, 2)	Remark
Independent Director	Lian-Sheng Tsai	10	0	100	
Independent Director	Mei-Ling Chen	6	0	100	2025/10/1 resigned
Independent Director	Chia-Yu Chiu	9	1	90	
Independent Director	Yuan-San Lu	9	1	90	

Other notes:

I. In the event that the Audit Committee operates under one of the following circumstances, the date and period of the Audit Committee meeting, the content of the motion, the content of the objections, reservations or material recommendations of the independent directors, the results of the Audit Committee resolution and the Company's handling of the Audit Committee's opinion shall be stated.

(I) Matters enumerated in Article 14-5 of the Securities and Exchange Act.

The resolutions approved by the Audit Committee are in accord with Article 14-5 of the Securities and Exchange Act. are as follows:

1. Establishment or revision of internal control according to Article 14-1:

(1) Date of the Audit Committee meeting: March 6, 2025
Session: 6th meeting of the 5th term
Meeting content: Approval of amendments to certain provisions of the Company’s Articles of Incorporation.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting

(2) Date of the Audit Committee meeting: March 6, 2025
Session: 6th meeting of the 5th term
Meeting content: Approval of the Company's Organizational Restructuring and Amendments to Organizational Regulations.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting

(3) Date of the Audit Committee meeting: May 14, 2025
Session: 7th meeting of the 5th term
Meeting content: Approval of amendments to the Company’s Audit Committee Charter and certain provisions of the Audit Committee Meeting Procedures, and newly establishing the Risk Management Policy and Procedure.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting

(4) Date of the Audit Committee meeting: May 14, 2025

Session: 7th meeting of the 5th term

Meeting content: Approval of amendments to selected provisions of the Company's Internal Control System – Payroll Cycle.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(5) Date of the Audit Committee meeting: June 27, 2025

Session: 8th meeting of the 5th term

Meeting content: Approval of amendments to the Company's "Internal Control System for the Shareholder Services Unit and Detailed Rules for Internal Audit Implementation."

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(6) Date of the Audit Committee meeting: June 27, 2025

Session: 8th meeting of the 5th term

Meeting content: Approval of partial amendments to the Company's "Related Party Transaction Management Regulations."

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(7) Date of the Audit Committee meeting: August 13, 2025

Session: 10th meeting of the 5th term

Meeting content: Approval of partial amendments to the Company's Internal Control System – Research and Development Cycle.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(8) Date of the Audit Committee meeting: August 13, 2025

Session: 10th meeting of the 5th term

Meeting content: Approval of amendments to the Company's "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct," together with the adoption of an "Anti-Corruption and Anti-Bribery Policy."

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(9) Date of the Audit Committee meeting: August 13, 2025

Session: 10th meeting of the 5th term

Meeting content: Approval of partial amendments to the Company's "Schedule of Authorities and Responsibilities of the Board of Directors and Managerial Officers."

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(10) Date of the Audit Committee meeting: November 13, 2025

Session: 13th meeting of the 5th term

Meeting content: Approval of partial amendments to the Company's "Sustainable Development Best Practice Principles" and "Sustainability Report Preparation, Verification and Filing Procedures."

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(11) Date of the Audit Committee meeting: November 13, 2025

Session: 13th meeting of the 5th term

Meeting content: Approval of partial amendments to the Company's "Remuneration System Management Policy."
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

2. Assessment of the validity of internal control:
   (1) Date of the Audit Committee meeting: March 6, 2025
   Session: 6th meeting of the 5th term
   Meeting content: Approval of the completion of the Company's self-assessment of the internal control system for 2024 and the issuance of the statement on internal control system
   Objections, reservations or significant recommendations by independent directors: None
   Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
   The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting
   (2) Date of the Audit Committee meeting: December 11, 2025
   Session: 14th meeting of the 5th term
   Meeting content: Approval of the Company's 2026 Internal Control Audit Plan.
   Objections, reservations or significant recommendations by independent directors: None
   Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
   The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting
3. In accordance with Article 36-1 regulation on the establishment or revision of the acquisition or disposal of assets, the trading of derivatives, corporate loans to others, guarantees or warrants to others, and relevant operating procedures.
   (1) Date of the Audit Committee meeting: March 6, 2025
   Session: 6th meeting of the 5th term
   Meeting content: Approval of the Amendments to the Company's Procedures for Acquisition or Disposal of Assets.
   Objections, reservations or significant recommendations by independent directors: None
   Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
   The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting
4. Matters involving the self-interests of the Directors: None
5. Transactions involving major assets or derivatives:
   (1) Date of the Audit Committee meeting: March 6, 2025
   Session: 6th meeting of the 5th term
   Meeting content: Approval of the proposed disposal of certain investment properties in Kaohsiung City.
   Objections, reservations or significant recommendations by independent directors: None
   Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
   The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting
   (2) Date of the Audit Committee meeting: March 6, 2025
   Session: 6th meeting of the 5th term
   Meeting content: Approval of the proposed acquisition of certain public and private Land in the Yantian Section, Annan District, Tainan City
   Objections, reservations or significant recommendations by independent directors: None
   Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
   The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting
   (3) Date of the Audit Committee meeting: March 6, 2025
   Session: 6th meeting of the 5th term
   Meeting content: Approval of the Company's the disposal of 28.5 million shares held in Chuan Sung Co., Ltd.
   Objections, reservations or significant recommendations by independent directors: None
   Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
   The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting
   (4) Date of the Audit Committee meeting: May 14, 2025

Session: 7th meeting of the 5th term
Meeting content: Approval of the disposal of assets at the Company's Qiaotou Plant
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(5) Date of the Audit Committee meeting: May 14, 2025
Session: 7th meeting of the 5th term
Meeting content: Approval of the decommissioning of Hydrogen Plant No. 3 at the Toufen Plant, with authorization granted to the Chairman to execute the relevant sale agreement on behalf of the Company.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(6) Date of the Audit Committee meeting: May 14, 2025
Session: 7th meeting of the 5th term
Meeting content: Approval of an additional budget allocation for the Toufen Plant Cogeneration Facility Decommissioning Project and the Gas Engine Self-Generation Power Plant Construction Project.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(7) Date of the Audit Committee meeting: May 14, 2025
Session: 7th meeting of the 5th term
Meeting content: Approval of the disposal of the Company's indirect shareholding in Changzhou Weicai New Material Science & Technology Co., Ltd.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(8) Date of the Audit Committee meeting: July 8, 2025
Session: 9th meeting of the 5th term
Meeting content: Approval of the Company's proposed cash capital increase in its significant subsidiary, Core Pacific Development Corp.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(9) Date of the Audit Committee meeting: July 8, 2025
Session: 9th meeting of the 5th term
Meeting content: Approval of the proposed capital reduction by cash return to be carried out by the Company's subsidiaries, CPDC Green Technology Corp. and Thanh Phong Construction Investment Co., Ltd.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(10) Date of the Audit Committee meeting: July 8, 2025
Session: 9th meeting of the 5th term
Meeting content: Approval of the disposal of assets in the dormitory area of the Company's Toufen Plant.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(11) Date of the Audit Committee meeting: August 13, 2025
Session: 10th meeting of the 5th term
Meeting content: Approval to adjust the minimum disposal price of the Company's indirect shareholding in Changzhou Weicai New Material Science & Technology Co., Ltd.
Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(12) Date of the Audit Committee meeting: August 13, 2025

Session: 10th meeting of the 5th term

Meeting content: Approval of a proposed capital reduction by cash return by the Company's subsidiary, Tsou Seen Chemical Industries Corp.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(13) Date of the Audit Committee meeting: August 13, 2025

Session: 10th meeting of the 5th term

Meeting content: Approval of the proposed dissolution and liquidation of the Company's Vietnam subsidiary, Thanh Phong Construction Investment Co., Ltd.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(14) Date of the Audit Committee meeting: December 11, 2025

Session: 14th meeting of the 5th term

Meeting content: Approval to conduct the second public tender sale of the Company's land assets in the Cianjhen District, Kaohsiung

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(15) Date of the Audit Committee meeting: December 11, 2025

Session: 14th meeting of the 5th term

Meeting content: Approval to proceed with the second public tender sale of assets at the Company's Qiaotou Plant

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(16) Date of the Audit Committee meeting: December 11, 2025

Session: 14th meeting of the 5th term

Meeting content: Approval of the merger between the Company and its wholly owned subsidiary, Tsou Seen Chemical Industries Corp.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

6. Material lending, endorsement or guarantee of funds:

(1) Date of the Audit Committee meeting: June 27, 2025

Session: 8th meeting of the 5th term

Meeting content: Approval of an increase in collateralized property security in connection with the Company's endorsement and guarantee facility provided to its Mainland China subsidiary, Changzhou Weicai New Material Science & Technology Co., Ltd.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection. The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(2) Date of the Audit Committee meeting: November 5, 2025

Session: 12nd meeting of the 5th term

Meeting content: Approval of the Company's endorsement and guarantee provided to its subsidiaries.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting

(3) Date of the Audit Committee meeting: November 13, 2025
Session: 13rd meeting of the 5th term
Meeting content: Approval of the Company’s endorsement and guarantee provided to its subsidiaries.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting

7. Raising, issuing or private placement of marketable securities with equity nature: None
8. Appointment, Dismissal or Compensation of Certified Public Accountants:
(1) Date of the Audit Committee meeting: March 6, 2025
Session: 6th meeting of the 5th term
Meeting content: Approval of the Independent Auditor's Independence Assessment and the Appointment of the Independent Auditor for Fiscal Year 2025
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting
9. Appointment or discharge of a financial, accounting, or Head of Internal Audit:
(1) Date of the Audit Committee meeting: September 3, 2025
Session: 11st meeting of the 5th term
Meeting content: Approval of a change in the duties of the Company’s Internal Audit Officer
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting
10. Annual Financial Report:
(1) Date of the Audit Committee meeting: March 6, 2025
Session: 6th meeting of the 5th term
Meeting content: Approved 2024 parent company only and consolidated financial statements.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting
(2) Date of the Audit Committee meeting: May 14, 2025
Session: 7th meeting of the 5th term
Meeting content: Approved the First Quarter of 2025 Consolidated Financial Statements.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting
(3) Date of the Audit Committee meeting: August 13, 2025
Session: 10th meeting of the 5th term
Meeting content: Approved the Second Quarter of 2025 Consolidated financial Statements.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting
(4) Date of the Audit Committee meeting: November 13, 2025
Session: 13rd meeting of the 5th term
Meeting content: Approved the Third Quarter of 2025 Consolidated financial Statements.
Objections, reservations or significant recommendations by independent directors: None
Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.
The Company’s Response to the Audit Committee’s Opinion: Presented to the Board Meeting
11. Other material matters required by the Company or the competent authority:
(1) Date of the Audit Committee meeting: July 8, 2025
Session: 9th meeting of the 5th term

Meeting content: Approval of the minimum disposal price for ten parcels of land located in Cianjhen District, Kaohsiung City

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(2) Date of the Audit Committee meeting: July 8, 2025

Session: 9th meeting of the 5th term

Meeting content: Approval confirming that the Company and Core Pacific Development Corp. have reached an agreement with the syndicated lending banks regarding amendments to certain terms of the syndicated loan, and have agreed to execute the Third Supplemental Agreement to the Syndicated Loan Agreement.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(3) Date of the Audit Committee meeting: August 13, 2025

Session: 10th meeting of the 5th term

Meeting content: Approval to recognize an asset impairment loss related to Weicai Company in the Company's self-prepared consolidated financial statements for the second quarter of 2025

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(4) Date of the Audit Committee meeting: August 13, 2025

Session: 10th meeting of the 5th term

Meeting content: Approval for CPDC Green Technology Corp. to continue undertaking the "Anshun Site 16,500-ton Contaminated Soil Remediation and Operation Project"

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(5) Date of the Audit Committee meeting: August 13, 2025

Session: 10th meeting of the 5th term

Meeting content: Approval of the CPDC 2024 Sustainability Report

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(6) Date of the Audit Committee meeting: November 5, 2025

Session: 12nd meeting of the 5th term

Meeting content: Approval confirming that the Company and Core Pacific Development Corp. have reached an agreement with the syndicated lending banks regarding amendments to certain terms of the syndicated loan, and have agreed to execute the Fourth Supplemental Agreement to the Syndicated Loan Agreement.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(7) Date of the Audit Committee meeting: November 13, 2025

Session: 13rd meeting of the 5th term

Meeting content: Approval of the termination of issuance and delisting of the Company's GDR

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(8) Date of the Audit Committee meeting: November 13, 2025

Session: 13rd meeting of the 5th term

Meeting content: Approval of the proposed decommissioning of the mothballed Caprolactam Line No. 2 at the Toufen Plant (including Hydrogen Plant 1, Hydrogen Plant 2), and the Nylon Chip Plant; and approval to cease production and place under preservation the o-Phenylphenol (OPP) Plant, together with corresponding workforce adjustments.

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(9) Date of the Audit Committee meeting: December 24, 2025

Session: 15th meeting of the 5th term

Meeting content: Approval to recognize an asset impairment loss in the fourth quarter of 2025

Objections, reservations or significant recommendations by independent directors: None

Resolution of the Audit Committee: Approved by the Chairman after consulting all members present without objection.

The Company's Response to the Audit Committee's Opinion: Presented to the Board Meeting

(II) Apart from the preceding matters, any resolution that was not approved by the Audit Committee but approved by two-thirds of all directors: None.

II. The implementation of avoidance of conflicts of interest by independent directors shall clearly specify the name of the independent director, meeting content, reasons for avoidance of conflicts of interest, and their participation in voting: None.

III. Communication between independent directors, internal audit supervisors and CPAs (shall cover the critical matters, methods and results of the Company's financial and business conditions):

(1) In addition to submitting audit reports and improvement reports to the independent directors, the head of internal audit communicates with the independent directors at least four times per year by telephone, e-mail, or through meetings or symposiums, on topics such as audit-related business, audit reports, problems identified and follow-up on improvements; The actual number of communication sessions in 2025 was four individual symposiums.

(2) The Company's CPA shall communicate with the independent directors at least four times per year through meetings and symposiums on issues such as the results of financial statement audits or reviews and relevant laws and regulations on financial accounting, taxation and securities control; the actual number of communications in 2024 was four individual symposiums and four Audit Committee meetings.

(3) The independent directors of the company have direct communication channels with the internal audit supervisor and CPA, and the communication situation is good.

Summary of Communication between the Head of Internal Audit and Independent Directors for 2025

Date	Communication Method	Communication Matters	Recommendations and Corrections of Independent Directors	Improvement and Implementation
2025/3/6	Individual Symposiums	1. Results of the 2024 Internal Control Self-Assessment 2. Execution Status of Recommended Improvements for 2024 3. Internal Audit Reports (January-February 2025)	No comment	None / Not applicable
2025/7/8	Individual Symposiums	Tracking status of audit findings and remediation actions (March-May 2025)	Relevant forms and procedural regulations shall undergo periodic review and revision to ensure operational continuity and compliance.	Actions shall be taken in accordance with the opinions and recommendations of the Independent Directors.

2025/11/13	Individual Symposiums	Description of internal control audit plan items for 2026	Recommendation that major corporate misconduct cases must include formal closing reports and subsequent disciplinary sanctions.	Relevant measures have been implemented, including continuous tracking, analytical reporting, disciplinary recommendations, and the convening of special project meetings for deliberation.
2025/12/11	Individual Symposiums	Clarification of Liability for Misconduct and Implementation of Disciplinary Measures Concerning Former Managers	Continued follow-up and the ongoing strengthening of corporate governance frameworks.	Disciplinary actions have been enforced, internal control measures and oversight have been enhanced, and follow-up tracking remains in progress.

Summary of Communication between the CPA and Independent Directors for 2025

Date	Communication Method	Communication Matters	Recommendations and Corrections of Independent Directors	Improvement and Implementation
2025/3/6	Individual Symposiums	1. Independence and accountability of auditors 2. Type, scope, and finding of the review report for the fourth quarter of 2024 3. Other matters	No comment	None / Not applicable
2025/3/6	Audit Committee	Consolidated and individual financial statements 2024	No comment	None / Not applicable
2025/5/14	Individual Symposiums	1. Independence and accountability of auditors 2. Type, scope, and finding of the review report for the first quarter of 2025 3. Miscellaneous Matters and updates on securities and regulatory laws	No comment	None / Not applicable
2025/5/14	Audit Committee	Consolidated financial statements for the first quarter of 2025.	No comment	None / Not applicable
2025/8/13	Individual Symposiums	1. Independence and accountability of auditors 2. Type, scope, and finding of the review report for the second quarter of 2025 3. Other communication matters 4. Significant regulatory and legal updates	No comment	None / Not applicable

2025/8/13	Audit Committee	Consolidated financial statements for the second quarter of 2025.	No comment	None / Not applicable
2025/11/13	Individual Symposiums	1. Independence and accountability of auditors 2. Consolidated financial statements for the third quarter of 2025 3. Other communication matters 4. Significant regulatory and legal updates	No comment	None / Not applicable
2025/11/13	Audit Committee	Consolidated financial statements for the third quarter of 2025.	No comment	None / Not applicable

Note 1: Where an independent director resigns before the end of the annual period, the note column shall be annotated with the date of resignation. Actual attendance rate (%) shall be calculated as at the number of times of attendance in person divided by the number of times of meetings of the Audit Committee held during his/her term of service.

Note 2: Where an election for independent directors is held before the end of the annual period, list the names of both the incoming and outgoing independent directors in the note column with annotations specifying whether the independent directors are outgoing, incoming or reelected, as well as the date of the election. Actual attendance rate (%) shall be calculated as at the number of times of attendance in person divided by the number of times of Audit Committee meetings held during his/her term of service.

(III) Corporate Governance Implementation Status, Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", and the Reasons Therefor:

<table>
<tr><th colspan="2" rowspan="2">Item Assessed</th><th colspan="3">Operation Status (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td colspan="2">I. Has the Company established and disclosed its own corporate governance best practice principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?</td><td>V</td><td></td><td>The Company has established a "Corporate Governance Best Practice Principles", which provides for the protection of shareholders' rights and interests, strengthening the functions of the Board of Directors, respecting the rights and interests of stakeholders, and enhancing information transparency. Information about the Company's Corporate Governance Best Practice Principles and related important rules and regulations or their operation is available on the Company's website or on the Market Observation Post System.</td><td>No deviations.</td></tr>
<tr><td rowspan="4">II. The shareholding structure of the Company and shareholders' interests</td><td>(I) Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure?</td><td>V</td><td></td><td>In accordance with the laws and regulations and the Company's Articles of Incorporation, the Company evaluates and handles shareholders' proposals with respect and prudence to implement shareholders' rights and interests; establishes a system of spokespersons, proxy spokespersons and corporate relations department to respond to the communication mechanism to ensure shareholders' rights and interests. The Company has also set up an investor contact platform on the website to handle shareholders' proposals, disputes and inquiries. There was no litigation with shareholders during the year.</td><td>No deviations.</td></tr>
<tr><td>(II) Does the Company maintain a register of the major shareholders with controlling power, as well as a register of the ultimate controller of those major shareholders?</td><td>V</td><td></td><td>The Company's directors, managers and major shareholders take the initiative to provide information on the changes and report the changes in accordance with the regulations. In 2012, the Company established the Stock Affairs Office to handle shareholders' affairs and to keep track of the distribution of major shareholders' shares and changes in the shares of the ultimate controllers of major shareholders.</td><td>No deviations.</td></tr>
<tr><td>(III) Does the Company establish and enforce the risk control mechanism and firewall mechanism between itself and its associates?</td><td>V</td><td></td><td>Assets, liabilities, and financial management rights and responsibilities between the Company and its affiliates are governed by relevant laws and regulations and the Company's internal control system.</td><td>No deviations.</td></tr>
<tr><td>(IV) Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?</td><td>V</td><td></td><td>Article 10 of the Company's Standards of Ethical Conduct and Article 14 of the Procedures for Ethical Management and Guidelines for Conduct stipulate that any information that may materially affect the trading price of the Company's securities that comes to the knowledge of the Company's personnel in the course of their duties shall be kept strictly confidential in accordance with the provisions of the Securities and Exchange Act until it is publicly disclosed and</td><td>No deviations.</td></tr>
</table>

Item Assessed			Operation Status (Note 1) Yes	No	Summary Description	Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
					shall not be used to engage in insider trading or divulged to others in order to prevent others from using such undisclosed information to engage in insider trading.	
III.	Composition and responsibilities of the Board of Directors	(I) Does the Board of Directors formulate a strategy as to achieve diversity among Board members, and, if so, is such strategy being implemented?	V		Article 20 of the "Corporate Governance Best Practice Principles" approved by the Board of Directors on April 11, 2024 and Article 2 of the "Rules for Election of Directors" approved by the shareholders' meeting on May 28, 2020 stipulate that the composition of the Board of Directors shall consider diversity. All members of the Board of Directors have the knowledge, skills and qualifications necessary to carry out their duties, and their areas of expertise include management, leadership, industry knowledge, finance and accounting, legal and environmental protection. The implementation of the Company's Board of Directors' Diversity Policy for 2025 is disclosed on the Company's website.	No deviations.
		(II) In addition to the Remuneration Committee and the Audit Committee established according to law, has the company voluntarily established other functional committees?		V	The Company has established the Audit Committee and the Remuneration Committee in accordance with the law. To further strengthen corporate governance and integrate risk supervision mechanisms, the Board of Directors resolved on March 30, 2026 to rename the Audit Committee as the "Audit and Risk Management Committee." The establishment of other functional committees is still under planning.	No deviations
		(III) Has the Company established standards to measure the performance of the Board, and does the Company implement such annually? Are the results submitted to the Board of Directors and used as references for the Director Remuneration and the nomination for reappointment?	V		On April 21, 2016, the Company has established the "Rules for Performance Evaluation of Board of Directors", according to which the Company performs an internal evaluation of the Board of Directors' performance once a year and an external evaluation once every three years(To allow external organizations to fully evaluate the new Board of Directors and provide relevant recommendations, the Company has adjusted the evaluation cycle to be based on every three years, starting from 2025), to be completed by the end of the first quarter of the following year. In 2025, due to the unfavorable outlook of the petrochemical industry's core business and the transitional period of upgrading and transformation, as well as the highly confidential nature of recent board proposals, the risk of information leakage must be minimized. Therefore, no external agency was commissioned to conduct the board performance evaluation for the year 2025. As for the evaluation methods, please refer to Chapter 2 Corporate Governance Report III. Implementation of Corporate Governance (I) Operations of the Board, Other notes: III The	No deviations.

Item Assessed		Operation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
		Yes	No	Summary Description	
				implementation of evaluation for the Board of Directors. The Company has performed an internal evaluation (including the Board of Directors as a whole, individual Board member, the Audit Committee and the Compensation Committee) in 2025, and the results of the evaluation shall be reported at the 19th meeting of the 23rd Board of Directors on March 12, 2026. (Note 2)	
	(IV) Does the Company regularly evaluate the independence of CPAs?	V		The Audit Committee and the Board of Directors of the Company regularly evaluate the independence (Note 3), suitability and professionalism of the CPAs on an annual basis, and require the CPAs to provide a statement of independence. After the Company confirms that the CPAs have no financial interests and business relationships with the Company other than the fees for visa and financial tax cases, and that the members of the CPA family do not violate the independence requirements, the Company reports to the Audit Committee and the Board of Directors. When discussing the independence and appointment of certified public accountants, the Company's Board of Directors also reviewed the accountants' biographies and each accountant's independence statement for the Board's evaluation of their independence. The accounting department of the company self-assesses the independence of certified accountants once a year, and submits the results to the audit committee and the board of directors for consideration. The audit committee of the company evaluates the independence and suitability of the certified accountants of the company every year. In addition to requiring the certified accountants to provide the "Detached Independent Statement" and "Audit Quality Indicators (AQIs)", it also follows the standards in Note 3 and the five aspects of AQI 13 The index information is used to evaluate the visa accounting firm. After the Company confirms that the CPAs have no financial interests and business relationships with the Company other than the fees for visa and financial tax cases, and that the members of the CPA family do not violate the independence requirements, and refer to the AQI index information to confirm that the visa accountants and firms have sufficient audit expertise and quality. The most recent assessment of independence and suitability was presented to the Audit Committee and the Board of Directors on March 12, 2026.	No deviations.
IV.	If the Company is a publicly-listed company, does the company has sufficient qualified corporate governance personnel in place and assign a chief	V		Providing information necessary for the directors to perform their business, handling matters related to board of directors and shareholders' meetings in accordance with the law, registering	No deviations.

Item Assessed		Operation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
		Yes	No	Summary Description	
	corporate governance officer, to handle matters relating to corporate governance (including but not limited to providing directors and supervisors with materials necessary to perform their duties, assist directors and supervisors in legal compliance, handling matters in connection with the Board Meeting and the Shareholders' Meeting in accordance with laws and regulations, and prepare meeting minutes for the Board Meetings and the Shareholders' Meeting)?			companies and registering changes, preparing minutes of board of directors and shareholders' meetings, and assisting the Company in complying with the laws and regulations related to the board of directors and shareholders' meetings, etc. There are also Stock Affairs Office and Corporate Relations Department to handle corporate governance related matters. On April 10, 2019, the Board of Directors approved the establishment of the Corporate Governance Officer. On January 1, 2024, Linda Yang, the head of the Legal Department, served as the Corporate Governance Officer. The Corporate Governance Officer is responsible for corporate governance related matters such as conducting board of directors' and shareholders' meetings, preparing minutes of board of directors' and shareholders' meetings, assisting directors in their appointment and continuing education, providing information necessary for directors to perform their business, and assisting directors in complying with laws and regulations. Highlights of corporate governance-related matters are as follows: 1. A total of 11 Board meetings and 10 Audit Committee meetings were convened in 2025. 2. A total of 1 general shareholders' meeting was convened in 2025. 3. All members of the Board of Directors have completed at least 6 credits of continuing education courses. 4. The Company obtains liability insurance for its directors and key employees and reports to the Board of Directors before renewal of the insurance. 5. Handled the performance evaluation for the Board of Directors and functional committees. The evaluation results of the Board of Directors, Audit Committee, and Remuneration Committee were all beyond the standards. 6. The Company was ranked in the top 21-35% of the 11th Corporate Governance Evaluation in 2024. 7. In 2025, the Corporate Governance Officer has completed 14 hours of training.	
V.	Does the Company establish communication channels between stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder area on the company's website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	V		Based on the AA1000 Stakeholder Engagement Standard, the Company identified seven categories of CPDC's major stakeholders, including shareholders, customers, colleagues, suppliers/contractors, nearby communities, government agencies, and financial institutions, using the five dimensions of "dependence", "influence", "concern", "responsibility", and " diversified perspectives" as criteria. The identity of the identified stakeholders, their concerns, communication channels and responses, as well	No deviations.

<table>
<tr><th rowspan="2" colspan="2">Item Assessed</th><th colspan="3">Operation Status (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td colspan="2"></td><td></td><td></td><td>as the results of the implementation of sustainable development and the direction of future promotion are regularly reported to the board of directors and disclosed in the Company's annual report and sustainability report. The Sustainability Report is published on a regular basis by August 31 of each year, and the status of the agreement is updated simultaneously in the Stakeholder Section of the official website.
The Company regularly reports to the Board of Directors on the communication with each stakeholder and the operation of the Sustainable Development Committee. The operation status for 2025 was reported at the 17th meeting of 24th Board of Directors on December 24, 2025.</td><td></td></tr>
<tr><td colspan="2">VI. Does the Company commission a professional shareholder services agency to handle matters in connection with the shareholders' meeting?</td><td></td><td>V</td><td>The Company has established the Stock Affairs Office in 2012 to conduct its own shareholder affairs.</td><td>The Company operates its own shareholding affairs to ensure quality and efficiency.</td></tr>
<tr><td rowspan="3">VII. Information Disclosure</td><td>(I) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?</td><td>V</td><td></td><td>The Company has set up a dedicated section on its website to disclose information about the Company's financial information, annual reports, corporate governance and product business.</td><td>No deviations.</td></tr>
<tr><td>(II) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</td><td>V</td><td></td><td>The Company has set up an English website and established a spokesperson system, and established a corporate relations department to handle the collection and dissemination of various types of information about the Company, regularly update the information on the Company's website in accordance with relevant laws and regulations, and handle important information disclosure from time to time, and link to the "Market Observation Post System" of the Stock Exchange to implement information disclosure.</td><td>No deviations.</td></tr>
<tr><td>(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?</td><td></td><td>V</td><td>The Company's consolidated and individual financial reports for 2025 have been announced and reported on March 12 2026 (within 75 days of the end of the fiscal year); the financial reports for the first, second and third quarters of 2025 and the revenue for each month have been announced and reported on the Market Observation Post System before the prescribed deadline and uploaded to the Company's website simultaneously.</td><td>No material deviations: The annual financial report was not announced and reported within two months of the end of the year, but was announced and reported well in advance of the statutory deadline.</td></tr>
<tr><td colspan="2">VIII. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness,</td><td>V</td><td></td><td>1. The Company has set up a Corporate Relations Department to handle the collection and dissemination of various information about the Company, and regularly updates the information on the Company's website in</td><td>No deviations.</td></tr>
</table>

Item Assessed	Operation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?			accordance with the relevant laws and regulations. 2. The Company has set up different and diversified ways of interaction with different stakeholders, which are disclosed annually in the Sustainability Report. 3. The information on directors' continuing education is disclosed on the "Market Observation Post System" and annual reports (Note 4) each year, and directors' liability insurance is also provided in accordance with Article 19 of the Company's "Articles of Incorporation" and Article 39 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". 4. There were no transactions between the Company and its related parties in 2025 that should be reported to the shareholders' meeting in accordance with Article 17 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".	

IX. Please, based on the latest report of Corporate Governance Evaluation released by the Corporate Governance Center of TWSE, state the circumstances in which improvement has been made, and propose priorities and measures for those that have not yet improved:

1. The results of the 11th Corporate Governance Review for 2024 (released on April 30, 2025) are 21% to 35%, and the following items have been improved for the 2024 Corporate Governance Evaluation:

Title no.	Indicator Title	Improvement situation
1.6	Does the Company hold the shareholders' meeting before the end of May?	The 2024 Annual General Meeting held on May 30, 2024.
2.6	Does the Company's Board of Directors include at least one female director?	In accordance with the "Sustainable Development Action Plan for TWSE- and TPEx-Listed Companies," the Company completed the 23rd Board election in 2024, appointing two female independent directors (Independent Director Mei-Ling Chen resigned effective October 1, 2025) to strengthen Board structure and promote gender diversity.
2.8	Does the Company have at least two independent directors who will serve no more than three consecutive terms?	To ensure independent directors can exercise their duties objectively, prevent any reduction in independence due to prolonged tenure, and further enhance the Board's supervisory function, the Company—pursuant to the "Sustainable Development Action Plan for TWSE- and TPEx-Listed Companies" and its "Corporate Governance Best Practice Principles"—expanded the number of independent director seats to four in the 2024 23rd Board election. Among the nominated independent director candidates, three were first-time nominees, and one has served no more than three terms.

2.Outstanding improvement priorities for the Company's 11th Corporate Governance Evaluation Indicators for 2024:

Title no.	Indicator Title	Expected improvement situation
1.2	Does the company established written regulations governing financial and business transactions between the company and its related parties? The content of such regulations should include management	The Company revised its Related Party Transaction Management Policy, which was approved by the Board of Directors on June 27, 2025. The revised policy incorporates management procedures for purchase and

Item Assessed	Operation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	

		procedures for transactions such as purchases and sales of goods, acquisition or disposal of assets, and other related transactions. In addition, material transactions shall be submitted to the board of directors for approval and further submitted to the shareholders' meeting for approval or reporting.	sales transactions, as well as for the acquisition and disposal of assets, and explicitly stipulates that material transactions must be submitted to and approved by the Board of Directors prior to execution. With respect to the Company's purchase and sales transactions with related parties, as these transactions involve the parent company or subsidiaries and fall under statutory exemptions from Board reporting requirements, there were no material related party transactions in fiscal year 2025 that required submission to the Shareholders' Meeting.
	2.3	Are the company's Chairperson of the Board and General Manager, or other equivalent senior executive (Chief Executive Officer), not the same person, nor spouses or relatives within the first degree of kinship?	In alignment with the principles of sound corporate governance, Chairman Ruey-Long Chen resigned from his role as Chief Executive Officer effective October 1, 2025.

Note 1: The operation situation shall be described in the summary description field, regardless of whether "Yes" or "No" is checked.

Note 2: The status of the performance evaluation of the Board of Directors for 2025 is as follows:

Performance evaluation of the Board of Directors for 2025

According to the Company's performance evaluation practice for the board of directors, an external professional independent organization or a team of external experts and scholars shall conduct the evaluation at least once every three years, and the internal board of directors performance evaluation shall be conducted once a year.

External evaluation: The most recent external performance evaluation of the Board of Directors was done in 2021. Considering that the Company's Board of Directors was elected at the shareholders' meeting at the end of May 2024, if an external independent professional institution were commissioned to conduct an evaluation in 2024, the assessment period would span two board terms. This would make it challenging to conduct a comprehensive evaluation of the newly appointed board and provide relevant recommendations. Therefore, the evaluation cycle has been adjusted, starting from 2025, to be conducted every three years as the base year. In 2025, due to the unfavorable outlook of the petrochemical industry's core business and the transitional period of upgrading and transformation, as well as the highly confidential nature of recent board proposals, the risk of information leakage must be minimized. Therefore, no external agency was commissioned to conduct the board performance evaluation for the year 2025.

Internal evaluation: The Company has carried out the 2025 internal evaluation of the performance of the board of directors. After collecting the statistical performance evaluation self-evaluation questionnaire, the scope includes the entire board of directors, director members, audit committee and remuneration committee.

	Indicators for Self-Evaluation	Results
Board of Directors	5 major aspects, 45 topics, including participation in the operation of the Company, improvement of the quality of the Board of Directors' decision making, Composition and structure of the Board of Directors, Election and continuing education of the directors and Internal Control.	The overall evaluation result of the board of directors in 2025 is good.

	Indicators for Self-Evaluation	Results
Board Members	6 major aspects, 23 topics, 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 relationships and communication, The director's professionalism and continuing education and Internal Control.	The overall evaluation result of the Board Members in 2025 is good.
Audit Committee	5 major aspects, 22 topics, including Participation in the operation of the Company, Awareness of the duties of the Audit Committee, Improvement of quality of decisions made by the Audit Committee, Makeup of the Audit Committee and election of its members and Internal Control.	The overall evaluation result of the Audit Committee in 2025 is good.
Remuneration Committee	4 major aspects, 18 topics, including Participation in the operation of the Company, Awareness of the duties of the Remuneration Committee, Improvement of quality of decisions made by the Remuneration Committee and Makeup of the Remuneration Committee and election of its members.	The overall evaluation result of the Remuneration Committee in 2025 is good.

Note 3: CPA's Independent Evaluation Item

1. Subjects of evaluation: The following is a list of the evaluated candidates: Melody Chen, CPA, Vincent Wu, CPA, and their audit team at KPMG Certified Public Accountants:

Item	Specific indicators	Evaluation Criteria	Evaluation results
1	The CPA has no direct or significant indirect financial interest with the Company.	Whether there is no interested person.	✓
2	The CPA has no inappropriate interest with the Company.	Whether there is no inappropriate interest.	✓
3	The CPA has no close business relationship with the Company, such as receiving business-related commissions or establishing potential employment relationships.	Whether there is no.	✓
4	Verify that no member of the service team has served as a director, manager or held a position of significant influence on the visa case in the Company in the last two years, and hold the above-mentioned relevant positions during the future audit period.	Whether there is no.	✓
5	The non-audit services provided by the CPA do not directly affect the materiality of the certification case.	Whether there is no.	✓
6	The CPA holds the shares of the Company.	Whether there is no shareholding.	✓
7	The CPA has no monetary borrowings with the Company.	Whether there is no.	✓
8	Whether the term of office of the principal and associate CPAs has exceeded seven consecutive years.	Whether there is no exceeding.	✓
9	The CPA has no contingent fees related to the Company's audit cases.	Whether there is no.	✓
10	The CPA has no financing or assurance activities with the Company.	Whether there is no.	✓
11	No shares or other securities issued by the Company are advertised or brokered.	Whether there is no.	✓
12	No defense of legal cases or other disputes with third parties on behalf of the Company.	Whether there is no.	✓
13	No kinship with directors, supervisors, managers, or persons with significant influence on certification cases.	Whether there is no.	✓
14	None of the CPAs have retired within one year from their positions as directors, supervisors, or managers of the Company or from positions with significant influence on certification cases.	Whether there is no.	✓
15	No gifts or special privileges of significant value were received from the Company or its directors, supervisors, managers or major shareholders.	Whether there is no.	✓
16	No threat of termination of appointment or renewal of certification case is made by the Company.	Whether there is no.	✓
17	Whether the accountant complies with the independence standard of Bulletin of Code of Ethics for Accountants No. 10.	Whether it is meet.	✓
18	The Company has obtained an independent statement from the CPA.	Whether it is obtained.	✓

2. Subjects of evaluation: The following is a list of the evaluated candidates: Mr. Chu-Feng Lin, CPA, and the audit team at PricewaterhouseCoopers Taiwan

Item	Specific indicators	Evaluation Criteria	Evaluation results
1	The CPA has no direct or significant indirect financial interest with the Company.	Whether there is no interested person.	✓
2	The CPA has no inappropriate interest with the Company.	Whether there is no inappropriate interest.	✓
3	The CPA has no close business relationship with the Company, such as receiving business-related commissions or establishing potential employment relationships.	Whether there is no.	✓
4	Verify that no member of the service team has served as a director, manager or held a position of significant influence on the visa case in the Company in the last two years, and hold the above-mentioned relevant positions during the future audit period.	Whether there is no.	✓
5	The non-audit services provided by the CPA do not directly affect the materiality of the certification case.	Whether there is no.	✓
6	The CPA holds the shares of the Company.	Whether there is no shareholding.	✓
7	The CPA has no monetary borrowings with the Company.	Whether there is no.	✓
8	Whether the term of office of the principal and associate CPAs has exceeded seven consecutive years.	Whether there is no exceeding.	✓
9	The CPA has no contingent fees related to the Company's audit cases.	Whether there is no.	✓
10	The CPA has no financing or assurance activities with the Company.	Whether there is no.	✓
11	No shares or other securities issued by the Company are advertised or brokered.	Whether there is no.	✓
12	No defense of legal cases or other disputes with third parties on behalf of the Company.	Whether there is no.	✓
13	No kinship with directors, supervisors, managers, or persons with significant influence on certification cases.	Whether there is no.	✓
14	None of the CPAs have retired within one year from their positions as directors, supervisors, or managers of the Company or from positions with significant influence on certification cases.	Whether there is no.	✓
15	No gifts or special privileges of significant value were received from the Company or its directors, supervisors, managers or major shareholders.	Whether there is no.	✓
16	No threat of termination of appointment or renewal of certification case is made by the Company.	Whether there is no.	✓
17	Whether the accountant complies with the independence standard of Bulletin of Code of Ethics for Accountants No. 10.	Whether it is meet.	✓
18	The Company has obtained an independent statement from the CPA.	Whether it is obtained.	✓

Note 4: Continuing education of directors for 2025:

Title	Name	Date of Inauguration	Date of Continuing Education		Organizer	Course Name	Training Hours	Whether Continuing Education Complies with Regulations*
			From	Until				
Chairman	Ruey-Long Chen	2024/05/30	03/11	03/11	Taiwan Corporate Governance Association	Recent Developments in ESG and Key Considerations for Directors and Supervisors	1.5	Yes
			05/13	05/13	Taiwan Corporate Governance Association	Reshaping the International Order	1.5	
			08/12	08/12	Taiwan Corporate Governance Association	Future Legal Compliance Risk Trends in the Technology Industry from the Perspective of Geopolitics and Sanctions	1.5	
			11/21	11/21	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Equity Trading	3.0	
Vice Chairman	Hui-Ting Shen	2024/05/30	07/31	07/31	Taiwan Corporate Governance Association	Recent Developments in ESG and Key Considerations for Directors and Supervisors	3.0	Yes
			10/30	10/30	Taiwan Corporate Governance Association	AI and Corporate Governance	3.0	
Director	Jiun-Nan Bai	2024/05/30	06/04	06/04	Taiwan Institute of Directors	Benchmark Practices in the Era of Co-governance	3.0	Yes
			10/30	10/30	Taiwan Corporate Governance Association	AI and Corporate Governance	3.0	
Director	Kuen-Ming Lin	2024/05/30	05/05	05/05	Taiwan Corporate Governance Association	Current Global Economic and Financial Conditions	3.0	Yes
			11/05	11/05	Taiwan Corporate Governance Association	Analysis of International Tax Trends and Trump 2.0 Tax Policies	3.0	
Director	Shaw-Shin Yang	2024/05/30	03/14	03/14	Taiwan Corporate Governance Association	Circular Economy Benefits and Sustainable Finance Opportunities	3.0	Yes
			11/07	11/07	Taiwan Corporate Governance Association	Development of Corporate Governance Officers and Board Evaluation	3.0	
Independent Director	Lian-Sheng Tsai	2024/05/30	02/21	02/21	Corporate Operating and Sustainable Development Association	Practical Operation and Case Studies of Corporate Governance, the Board of Directors, and the Compensation Committee	3.0	Yes
			03/27	03/27	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations	3.0	

Title	Name	Date of Inauguration	Date of Continuing Education		Organizer	Course Name	Training Hours	Whether Continuing Education Complies with Regulations*
			From	Until				
Independent Director	Chia-Yu Chiu	2024/05/30	08/08	08/08	Taiwan Corporate Governance Association	Fundamental Legal and Regulatory Concepts for Listed and OTC Companies	3.0	Yes
			11/11	11/11	Taiwan Corporate Governance Association	AI of Applications, Law, and Auditing	3.0	
Independent Director	Yuan-San Lu	2024/05/30	09/12	09/12	Taiwan Institute for Sustainable Energy	2025 Asia-Pacific Sustainability Forum _ 4th CCUS Forum	2.0	Yes
			09/30	09/30	Taiwan Corporate Governance Association	Corporate Innovation, Growth, and AI	2.0	
			10/31	10/31	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Equity Trading	3.0	
Independent Director	Mei-Ling Chen**	2024/05/30	07/09	07/09	Taiwan Stock Exchange	2025 Cathay Sustainability Finance and Climate Change Summit	6.0	Yes

*: It refers to the compliance with the hours of study, the scope of study, the system of study, the arrangement of study and the disclosure of information as stipulated in the " Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies".

**: Independent Director Mei-Ling Chen resigned on October 1, 2025.

(IV) If the Company has remuneration committee, its composition and operation shall be disclosed:

1. Information on the Members of the Remuneration Committee

Title	Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member	Remark
Independent Director	Lian-Sheng Tsai	Please refer to the disclosure of professional qualifications and independence of directors in the annual report (page 23).	(1) Not an employee of the company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons under (2) and (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that,	None	Convenor

Title	Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member	Remark
			provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. (10) Not been a person of any conditions defined in Article 30 of the Company Act.		
Independent Director	Mei-Ling Chen	Please refer to the disclosure of professional qualifications and independence of directors in the annual report (page 23).	Same as above	None	Resigned on October 1, 2025.
Independent Director	Chia-Yu Chiu	Please refer to the disclosure of professional qualifications and independence of directors in the annual report (page 23).	Same as above	None	
Independent Director	Yuan-San Lu	Please refer to the disclosure of professional qualifications and independence of directors in the annual report (page 23).	Same as above	None	

2. Functions of the Remuneration Committee
   (1) Regularly review the organizational procedures of the Remuneration Committee and propose amendments.
   (2) Formulate and regularly review the performance evaluation standards for directors and managers, annual and long-term performance targets, and policies, systems, standards and structures for compensation and remuneration, and disclose the content of the performance evaluation standards in the annual report.
   (3) Evaluate the achievement of the performance targets of the Company's directors and managers on a regular basis, and to determine the content and amount of their individual remuneration based on the evaluation results obtained from the performance evaluation standards.

In performing the foregoing duties and responsibilities, the Remuneration Committee shall be subject to the following principles:

(1) Ensure that the Company's remuneration arrangements comply with the relevant laws and regulations and are sufficient to attract the best talent.

(2) The performance evaluation and remuneration of the directors and managers shall be based on the usual level of compensation in the industry, and the reasonableness of the relationship between their performance and the Company's operating performance and future risks shall be evaluated by taking into account their personal performance, time commitment, responsibilities, achievement of personal goals, performance in other positions, the Company's recent remuneration for equivalent positions, as well as the achievement of the Company's short-term and long-term business goals and the Company's financial position.

(3) Directors and managers shall not be induced to engage in conduct that exceeds the Company's risk tolerance in the pursuit of remuneration.

(4) The percentage of remuneration for short-term performance of directors and senior managers and the timing of payment of some variable remuneration shall be determined by considering the characteristics of the industry and the nature of the Company's business.

(5) The content and amount of directors' and managers' compensation shall be reasonable and the determination of directors' and managers' remuneration shall not be materially inconsistent with the financial performance, and if there is a significant decline in profits or a long-term loss, their remuneration shall not be higher than the previous year.

(6) Members of the Remuneration Committee shall not participate in the discussion and vote on the decision of their remuneration.

3. Implementation Status of the Remuneration Committee

(1) The 6th Remuneration Committee consists of 3 members. The 6th Remuneration Committee consists of 4 members.

(2) Current term of office: The term of office of the 6th Remuneration Committee starts from June 25, 2024 till May 29, 2027 (Same term as the 23rd Board of Directors).

A total of 4 meetings (A) were held by the 6th Audit Committee (2025/1/1-2025/12/31). The attendance of independent directors is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Attendance Rate (%) (B/A) (Notes)	Remark
Convenor	Lian-Sheng Tsai	4	0	100	
Committee member	Mei-Ling Chen	2	0	100	Resigned on October 1, 2025
Committee member	Chia-Yu Chiu	4	0	100	
Committee member	Yuan-San Lu	4	0	100	

Other notes:

I. In the case that the Board declines to adopt a recommendation of the remuneration committee, or that the Board modifies the same, it shall specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company’s response to the remuneration committee’s opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

II. Where there is any resolution of the Remuneration Committee to which a member objects, or on which a member has a qualified opinion, and such objection or qualified opinion is documented or reduced to a written statement, it is required to disclose the meeting date, meeting session, proposal content, opinions of all members and the response thereto: None.

III. The dates and periods of the most recent meetings of the Remuneration Committee, the content of motions, the results of resolutions and the Company's response to the Remuneration Committee's opinion are as follows:

Remuneration Committee	Motion content and follow-up	Resolution	The Company's response to the Remuneration Committee's opinion
3rd meeting of the 6th term 2025/03/06	Discussion 1. 2024 distribution of remuneration to directors. 2. 2024 distribution of remuneration to employees. 3. 2024 director's remuneration proposal 4. The retirement and severance payments for Mr. Tsai, Assistant Vice President of the Research and Development Division will be made.	Approved by all members	Submitted to the board of directors and approved by all directors present
4th meeting of the 6th term 2025/05/14	Discussion 1. Proposal of remuneration adjustments for the Company’s appointed managerial officers. 2. Proposal of remuneration adjustment for managerial officers Kao and Chen.	Approved by all members	Submitted to the board of directors and approved by all directors present

5th meeting of the 6th term 2025/11/03	Discussion 1. Partial amendments will be made to the Company's "Employee Compensation Distribution Guidelines." 2. Proposal of partial amendments to the Company's "Remuneration System Management Policy." 3. Remuneration adjustments were made for the Toufen Plant Manager (Mr. Chen), Senior Manager of the Joint Procurement Department under the Operation Management Division (Mr. Jian), Internal Audit Officer (Mr. Liao), and Sales Manager of the Production and Marketing Business Division (Mr. Zeng).	Approved by all members	Submitted to the board of directors and approved by all directors present
6th meeting of the 6th term 2025/12/24	Discussion 1. Proposal of position and remuneration adjustments for the Dashe Plant Manager and the Deputy Technical Section Manager of the Dashe Plant.	Approved by all members	Submitted to the board of directors and approved by all directors present

Note:

*Where committee member of Remuneration Committee resigns before the end of the annual period, the note column shall be annotated with the date of resignation. Actual attendance rate (%) shall be calculated as at the number of times of attendance in person divided by the number of times of meetings of the Remuneration Committee held during his/her term of service.

*Where an election for Remuneration Committee is held before the end of the annual period, list the names of both the incoming and outgoing Remuneration Committee members in the note column with annotations specifying whether the committee members are outgoing, incoming or reelected, as well as the date of the election. Actual attendance rate (%) shall be calculated as at the number of times of attendance in person divided by the number of times of Remuneration Committee meetings held during his/her term of service.

(V) Promotion of Implementation of Sustainable Development and Deviation from the Sustainable Development Best-Practice Principles for the TWSE/GTSM Listed Companies and reasons thereof:

Promotion Item	Status (Note 1)			Deviation from the Corporate Social Responsibility Best-Practice Principles for the TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary Description	
I. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (concurrently) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	V		1. The "Corporate Social Responsibility Best Practice Principles" were created by the company and approved by the Board of Directors on December 24, 2015. Later on December 29, 2021, the Board approved the revision of the Principles to the "Sustainable Development Best Practice Principles" and adopted the "Corporate Sustainable Development Committee Charter" to imbue all CPDC colleague with a common Sustainability DNA through the internalization of ESG and corporate sustainability factors. At the same time, the CPDC Corporate Social Responsibility Committee, established in September 2013, was promoted to the Sustainable Development Committee (ESG Committee). The chairman of CPDC serves as the committee chair, the vice chairman serves as the vice chairman of the Committee, the general manager as the executive member, and four senior executives are committee members responsible for supervising and promoting relevant projects of the four executive teams of "Corporate Governance", "Community Relations", "Environmental Sustainability" and "Green Products" to operate, promote, and implement resolutions on ESG issues. The ESG Committee Secretariat, composed of the Occupational Safety and Health Department, the Environmental Protection and Pollution Prevention Department, and the Corporate Relations Department, is responsible for executing and promoting committee-related matters. The four executive teams of the Committee shall meet at least quarterly and report the implementation plan and results to the Committee on a regular basis. The committee shall convene at least twice a year, shall also determine whether the company's development strategy and annual operation plan include the promotion of sustainable development, and shall report to the Board of Directors at least once a year on the implementation of sustainable development. 2. The main tasks of 4 major groups are as follows:	No deviation

Group	Corporate Governance Group	Environmental Sustainability Group	Community Relations Group	Green Product Group
Job Title Description	• Sustainable development vision and strategy • Corporate governance and integrity management • Regulatory compliance and information disclosure • Operations and financial strategy • Risk and crisis management • Information security • Digital transformation • Innovation management • Green procurement • Supply chain management	• Environment and resource policy • Environmental management and pollution remedy • Response to climate change • Energy management • Water source management • Waste management • Chemical management • Pollution remedy • Green-energy provocation • ISO verification	• Labor human rights and code of ethics Customer relationship management • Community engagement and place creation • Public welfare participation and emergency relief • Customer relationship management • Supply chain management • Occupation safety and health • Talent development and management • Talent attraction and stay • Communication with stakeholders	• Green package • Green process and products • Circular economy and recycling strategy • Smart production • Green innovation R&D

3. CPDC's Board of Directors is the highest governance body for sustainable development, and oversees the formulation and review of the Company's sustainable development management policies, strategies and objectives. When formulating strategies and planning annual operation plans, the Company must include the risk assessment of environmental, social and economic (ESG) issues for sustainable development in accordance with the principle of double materiality, and incorporate them into the company-wide key performance indicators (KPIs) and set clear targets, which are submitted to the Board of Directors for approval. KPIs including those ESG specific are reviewed quarterly to assess the achievement rate, provide explanations for any deviations, and propose corresponding measures.

4. The Board of Directors receives reports from the management team (including the ESG report) on a regular basis each year. The management team is required to propose corporate strategies to the Board of Directors, and the Board of Directors must evaluate the likelihood of success of these strategies, review the progress of the strategies periodically, and urge the management team to make adjustments when necessary.

5. The ESG Committee held two meetings in 2025, with agenda items including: (1) identifying stakeholders and major issues and formulating action plans to address them; (2) the results of environmental, social and economic sustainability actions and the status of achievement of related goals; and (3) Monitoring the implementation status of the sustainable business matters and evaluating the progress. Upon reported to and approved by the Committee Chair, the above agenda, along with sustainability planning for the next year were reported to the Board of Directors on December 24, 2025 for review, guidance, and supervision.

6. The ESG initiatives reported to and discussed by CPDC Board of Directors, and the operation and implementation of the ESG Committee in 2025 are also disclosed on the Company's official website and in Chapter 1.2 “Sustainable Management” of CPDC 2025 Sustainability Report.

7. 2025 CPDC Sustainable Development Committee Activities:

- According to the CPDC Sustainable Development Strategy Blueprint 2.0 and framework on its 4 Supports and 8 Dimensions, we continue to drive ESG actions and develop operations in achieving SDGs.
- With third-party verification, we compiled and published the 2024 Sustainability Report in accordance with the 2021 GRI standards, Sustainability Accounting Standards Board industry indicators, and the Task Force on Climate-related Financial Disclosures framework to disclose ESG information.
- We continued enhancing the correlation between company-wide ESG performance and KPI evaluation methods.
- We continuously established policies and regulations related to ESG, such as establishing Risk Management Policies and Procedures, Regulations Governing Management of Related Party Transactions, Anti-Corruption and Anti-Bribery Policy, Position Statement on Climate Change Public Policy and Participation, Privacy Policy, Customer Rights Protection Policy, and Corporate Value Enhancement Plan. Otherwise, revising Corporate Governance Best Practice Principles, Corporate Sustainable Development Committee Charter, and Procedures for Preparation, Verification, and Filing of Sustainability Reports.
- We continue implementing and promoting climate action plans that align with CPDC′ s short-, medium-, and long-term commitments to reducing greenhouse gas emissions and aiming for Net Zero by 2050. In 2025, we invested in a total of 12 environmental sustainability projects related to energy conservation, carbon reduction, and water conservation, with a total investment amount of NT$38,896 thousand. The projects achieved annual energy savings of 1,986 KLOE, carbon emission reductions of 4,238 metric tons of CO_2e per year, electricity savings of 1,662 thousand kWh, and water savings of 62,776MT.
- The Company's main production facilities are certified under ISO 9001, ISO 14001, ISO 45001, ISO 46001, and ISO 50001, and verified under ISO 14064.
- We are leveraging technology to implement a carbon management module on a smart decision-making platform to effectively monitor greenhouse gas emissions in real-time.
- Support friendly procurement, local revitalization, local small farmers, and actively promote green products and marine protection. It also vigorously promotes cultural education and charity activities, sponsors many cultural exhibitions, and supports disadvantaged groups and special children. Through industry-university collaboration and community activities, we realize our corporate mission of "giving back to the community and promoting cultural sustainability".

8. 2026 Sustainable Development Committee Work Plan

- We will promote the Corporate Governance 3.0 Blueprint and key sustainable development action plans through our ESG Committee.
- Our company-wide sustainable KPI system will strengthen the connection between departmental performance and sustainable development.
- We will continue to participate in domestic and international ESG evaluations.
- We are to complete the greenhouse gas inventory and verification for our subsidiaries in accordance with relevant regulations.
- We will continue to host CSR events that incorporate eco-education on chemical engineering, eco-symbiosis, energy conservation, and carbon reduction.

Promotion Item	Status (Note 1)			Deviation from the Corporate Social Responsibility Best-Practice Principles for the TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary Description	
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)	V		To strengthen corporate operational resilience and address potential challenges and opportunities, China Petrochemical Development Corporation (CPDC) has established a comprehensive risk management framework since 2019. Following the materiality principle and ISO 31000 risk management guidelines, CPDC implements a systematic risk response policy and process based on the PDCA cycle. The company regularly convenes department and division leaders to discuss risk response and management measures. In 2025, the Board of Directors approved the "CPDC Risk Management Policy and Procedures," clearly defining roles and responsibilities at all levels. From the Board to all employees, CPDC enforces a tiered mechanism for risk identification, assessment, and control, committed to building a robust and forward-looking operational foundation. In 2025, the Risk Management Team conducted a comprehensive inventory of risk issues (with the risk assessment scope aligned with the consolidated financial reporting scope), reclassifying 11 sources and categories of risk and identifying a total of 60 risk issues, including 10 high-risk issues. On November 13, 2025, the team reported the 2026 risk management operations to the Audit and Risk Management Committee and the Board of Directors. 2025 Risk Issue Identification Results - Management and Response to High-Risk Issues	No deviation

Sources and Categories of Risk	**Risk Name**	**Significance and Impact**	**Response Strategy**
Operational Risk	Reputation	Corporate reputation is closely related to brand value. Significant adverse events, such as environmental violations or workplace safety accidents, may lead to a decline in stakeholder trust, stock price volatility, and even impact credit ratings for securing government contracts or bank financing.	Established internal and external media monitoring mechanisms and crisis communication response protocols to ensure timely identification and accurate response to risk issues. Simultaneously, we maintain positive interactions through regular media relations and strengthen cross-departmental communication. When necessary, project teams are established to systematically safeguard the company's brand reputation and stakeholder trust.
	Material Occupational Safety and Health Incident (Process Safety Incident)	Occupational safety and health are critically important in the chemical industry. Failure to properly ensure occupational safety and health may result in personnel injuries or fatalities, equipment damage, property loss, disruption of company production and operations, and impacts on the Company's reputation.	CPDC aims for zero accidents, no occupational safety fines, and zero safety incidents throughout the year. To achieve this, the company implements the following measures: 1. Hazard identification, risk assessment, and risk control; 2. Adoption of inherently safe design; 3. Review and revision of established operating procedures, work instructions, and related occupational safety and health regulations; 4. Conducting safety and health education and training for personnel, as well as enhancing hazard awareness. These efforts serve to strengthen the overall occupational safety and health performance of the company.

					Weak Market Demand	Domestic policies unfavorable to development, along with the rise and capacity expansion of the petrochemical industries in emerging countries and Mainland China, have increased operational challenges.	Expand the dual-core businesses of petrochemicals and land development. The petrochemical business focuses on enhancing added value through the development of high-value products and promoting smart manufacturing to build technological competitiveness. The land development business involves planning and revitalizing existing land assets, advancing phased and zoned development projects, and promoting green and smart building products.		
				Transformation and Upgrading Risk	Challenges in New Product Development and Promotion				
				Supply Chain Risk	Constrained Industry Development				
				Financial Risk	Liquidity of Working Capital	The petrochemical and land development businesses require substantial capital investment. Insufficient liquidity may result in cash flow pressure, adversely affecting the company's credit rating and strategic execution.	Established a rolling cash flow forecast to ensure the maintenance of sufficient available liquidity. Actively maintained good relationships with financial institutions to ensure diversified financing channels and credit lines. Strengthened inventory and accounts receivable management to improve the efficiency of operating capital turnover.		
					Invested Companies	Below-Expectation Investment Returns from Subsidiaries	By resolving to divest underperforming subsidiaries, funds were recovered and reinvested into green energy or high-value-added research and development projects, thereby optimizing the overall financial structure and asset return rate.		
				Legal Compliance Risk	National Policy and Net Zero Emissions	The draft amendment to Taiwan's "Greenhouse Gas Reduction and Management Act" has been approved. According to the new "Climate Change Response Act," the Company, with annual greenhouse gas emissions exceeding 2 million tons (including Scope 3), is defined as a major carbon emitter. The Ministry of Environment will implement carbon fee collection starting in 2025.	Each plant sets annual energy conservation and carbon reduction targets, along with dedicated project budgets. Progress is tracked quarterly by the Energy Conservation and Carbon Reduction Task Force. In addition, CPDC is gradually installing solar power generation equipment to reduce carbon dioxide emissions and utilize environmentally friendly green energy, which also complies with government regulatory requirements. Over the next 30 years, the Company also plans to introduce carbon reduction and carbon capture technologies in phases.		
				Climate Change Risk	Carbon Tax and Energy Tax (Carbon Fee Collection)				
					Introduction of Carbon Reduction Technologies				
III. Environmental issues	(I) Has the Company established environmental policies suitable for the Company's industrial characteristics?	V		The Company's eco-management system conforms to ISO 14001: 2015 set by the International Organization for Standardization and has been verified by third-party organizations (Metal Industry Research and Development Center, AFNOR Asia, and LRQA). Implementation complies with laws and regulations on emissions and waste disposal during production. In addition, ISO 9001: 2015 (quality management system), ISO 45001: 2018 (occupational safety and health management system), and ISO 46001:2019 (water efficiency management system), and ISO 50001:2018 (energy management system) standards were adopted. The Company also monitors eco-management trends and issues relevant to the chemical industry through international information disclosure standards (such as GRI, SASB), CDP and S&P Global CSA evaluations.					No deviation

Promotion Item	Status (Note 1)			Deviation from the Corporate Social Responsibility Best-Practice Principles for the TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary Description	
(II) Does the Company endeavor to promote the efficient use of available resources, and the use of environmental-friendly materials?	V		1. Improving Energy Use Efficiency: In production, the plant implements multiple annual projects focused on energy saving, carbon reduction, water conservation, and waste reduction to enhance production efficiency and continuously decrease energy and resource consumption per unit of product. 2. Use of Environmentally Friendly Equipment and Raw Materials with Low Environmental Impact: (1) The Company advocates green procurement by purchasing products—including equipment, raw materials, and packaging materials—that bear energy-saving, water-saving, and environmental protection labels, thereby reducing the environmental footprint during operations; (2) In recent years, the Company has actively invested in the development of products made from bio-based materials, recycled materials, and biodegradable materials. Currently, market promotion efforts are underway, and the Company plans to gradually increase the sales proportion of recycled and environmentally friendly materials and products to facilitate a transition toward a low-carbon economy. 3. The energy management target is to reduce annual energy consumption by 2% compared to the previous year. This will be achieved through process improvements, green procurement, and the purchase of energy-saving and electricity-efficient certified products. In 2025, a total of six energy-saving projects were implemented, resulting in a reduction of 99,600 GJ. In addition, the plant has installed rooftop solar power systems and utilizes low-pressure steam generated from the production process for power generation, developing renewable energy to steadily improve the efficiency of renewable energy use year by year. 4. Water management is based on the water consumption per metric ton of product in the base year 2014. The Company sets a 2% water-saving target for each plant and establishes annual water-saving goals for each plant according to the key performance indicators approved by the Board of Directors each year. In 2025, a total of six water-saving projects were implemented, resulting in a reduction of 80,965 tons. In the future, various water-saving measures and plans will continue to be implemented, gradually enhancing water conservation effectiveness.	No deviation
(III) Does the Company assess potential risks and opportunities associated with climate change, and undertake relevant measures in response to climate issues?	V		1. To understand the potential opportunities and risks of climate change for the company and to align with the international sustainability trends of disclosing climate-related financial information, the Secretariat of the Sustainable Development Committee was responsible for analyzing climate change-related risks and opportunities in the year 2021. Using the Task Force on Climate-related Financial Disclosures (TCFD) guidelines to assess the impact and costs associated with future carbon taxes or fees as required by regulations. In 2025, the climate risk factors identified in the past were compared and analyzed with reference to relevant international research reports, based on their risk characteristics and impact on chemistry, and the identification results of benchmark companies, and a list of 7 risk factors was established after adjustment. 2. After completing the 2025-year risk list, an assessment will be made based on the degree of financial impact and the probability of risk occurrence, and the climate risks will be classified. The classification method mainly refers to the calculated risk values from the two aspects, as well as the distribution position in the risk matrix. 3. Based on the above-mentioned matrix, the Company identified 5 high climate risk factors, including: pricing of greenhouse gas emissions, extreme changes in rainfall patterns and climate patterns (such as droughts, typhoons, heat waves), increased costs of raw material acquisition, and transition to low carbon Cost of emission technologies, replacement of existing products with lower carbon options. 4 high climate opportunity factors were also identified, including: R&D and innovation to develop new products and services, circular economy, use of low-carbon energy, energy alternatives and renewable energy development. 4. The Company further analyzes the implications of the identified climate risks and opportunities, analyzes the relevant financial impacts, and formulates response measures. For details, please refer to “3.2.1 Climate Change Risk Management and TCFD” in the CPDC 2025 Sustainability Report or the Company's official website."	No deviation

Promotion Item		Status (Note 1)			Deviation from the Corporate Social Responsibility Best-Practice Principles for the TWSE/GTSM Listed Companies, and reasons thereof
		Yes	No	Summary Description	
	(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?	V		For the Company's annual results, status of environmental goals and related data of greenhouse gas emissions, water resources management and waste reduction due to climate change, the Company discloses them in the Environmental Sustainability Chapter of Sustainability report every year. In response to climate change, the Company has previously established an energy-saving and carbon-reduction team. In 2021, the Corporate Sustainable Development Committee Charter upgraded to Sustainable Development Committee supervised by the Board of Directors. Under the committee, four executive groups were set up: "Corporate Governance", "Social Relations", "Environmental Sustainability" and "Green Products". Among them, the "Environmental Sustainability" is responsible for managing energy and climate change. Related issues, pollution remediation, and environmental and social participation, and set up the goal of 2% for annual energy-saving, carbon-reduction, and water-saving. The Company holds an energy-saving and carbon-reduction meeting every quarter, reports and reviews the progress and achievement of each plant's reduction project, and collects relevant domestic and overseas information, so as to assess the trends and plan the Company's overall future strategic plan. For relevant information, see Note 3, Note 4, and Note 5.	No deviation
IV. Social issues	(I) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		Each office of the company abides by laws in Taiwan and labor orders, establishes various internal regulations, strives to create a workplace environment that promises to execute the human rights, and respects the basic rights of regular employees, contract and temporary personnel, and interns. At the same time, all cooperative manufacturers are required to sign a Supplier/Contractor/Partner Code of Conduct Commitment and abide by human rights and labor standards, so that partners and the company have a consistent commitment. CPDC follows the United Nations Human Rights Guiding Principles, establishes a list of potential human rights issues, and further supplements it based on industry-specific human rights issues of concern to relevant departments. The final list is further provided to all relevant departments for human rights due diligence. In response to the operating characteristics of the petrochemical industry, the company pays attention to the following human rights issues and proposes corresponding policies to implement its emphasis on human rights:1. User privacy protection, 2. Personal freedom and security, 3. guarantee of work and labor conditions, 4. Right to health, 5. Freedom of Speech and Expression, 6. Freedom of assembly and association, 7. Child protection, 8. No discrimination, 9. Basic living standards, 10. Forced labor, 11. Environment and cultural properties, 12. Right to family life. CPDC has been following international human rights-related norms since 2022, promulgating CPDC's human rights policy and publishing it on its official website. It also conducts a due diligence investigation every year, and the public investigation results are disclosed in the sustainability report. If high-risk human rights issues are identified, the relevant results will be handed over to the human resources department, occupational safety and environmental protection departments for follow-up tracking and management. No human rights violations have occurred in 2025.	No deviation

Promotion Item	Status (Note 1) Yes	Status (Note 1) No	Status (Note 1) Summary Description	Deviation from the Corporate Social Responsibility Best-Practice Principles for the TWSE/GTSM Listed Companies, and reasons thereof
(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, rest and annual leave, and other benefits), and appropriately reflected the operating performance or achievements in the employee remuneration?	V		1. According to the Article 32 of the Articles of Incorporation, if the Company has earnings, it shall set aside 3% of the balance as remuneration to the employees (with 1% designated for distribution among grassroots frontline employees), and no greater than 2% of the balance as remuneration to directors. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration. 2. According to the Company's "Regulations of Distributing Rewards" and taking into account the performance of each business unit and individual, after being approved by the responsible supervisor, the Company will give reasonable compensation to employees. 3. The Company regularly participates in international market salary surveys to adjust salary levels and provide competitive salary in the market; adjusts salary based on the operations of Company, price index, economic growth rate and individual performance, etc. 4. For the measures and implementation status of the Company's employee welfare, please refer to the labor-management relations in "Four. Operations Overview". 5. In 2025, female colleagues in the Company accounted for 20% of non-supervisory positions, and 8.2% of management and leadership positions. 6. The Company's Taipei Office and each plant has an employee welfare committee, which is responsible for coordinating and arranging employee welfare activities. It organizes domestic and foreign tours, various ball games, mountain climbing activities, parent-child activities and other competitions from time to time. Some welfare activities are also open to employees' family members, and create a work-life balance for colleagues through various activities. 7. In order to enable colleagues to balance work and family responsibilities at the same time, CPDC complies with the Gender Equality in Employment Act and has regulations on child care and accommodation and the establishment of lactation rooms. Employees who meet the qualifications and need this can apply in accordance with the regulations. In addition, Colleagues can apply for family care leave, children's scholarships and bursaries, gifts for the elderly, maternity subsidies, marriage subsidies, etc., as appropriate. Through a complete system, each colleague can rely on the most support.	No deviation
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		**Occupational Safety and Health Policy** The Company upholds a commitment to respect and care for employees, customers, suppliers, contractors, and local communities, and consistently implements its Occupational Safety and Health (OSH) principles with the objective of achieving zero workplace incidents. All operational sites comply with applicable local OSH laws and regulations and are committed to integrating risk-based thinking into the planning and implementation of the Occupational Safety and Health Management System. The Company adopts risk management principles, strengthens workplace safety management and health promotion, prevents occupational injuries and diseases throughout production processes, and continuously improves OSH performance. **Occupational Safety and Health Management Performance** The Company has established proactive and reactive workplace environment performance metrics, with monthly quantitative scoring and a traffic-light rating system for performance monitoring. By fostering a strong corporate safety culture, reinforcing management safety leadership, and encouraging full employee participation, the Company continuously enhances workplace safety and provides a safer working environment. These initiatives also aim to strengthen employee safety awareness and promote safe work behaviors. From 2023 to 2025, the Company's Total Recordable Injury Rate (TRIR) was 0.05, 0.06, and 0, respectively, while the contractor TRIR was 0, 1.72, and 0, respectively. Achieved the goal of zero occupational injuries in 2025 and continued to implement the occupational safety and health management system. **Workplace Environmental Monitoring**	No deviation

To understand actual workplace conditions and assess employee exposure levels, the Company conducts semiannual workplace environmental monitoring in accordance with regulatory requirements. This program aims to protect employees from exposure to hazardous substances and to provide a safe, healthy, and comfortable working environment. Monitoring results are used to verify that exposure concentrations comply with applicable legal and regulatory standards.

Safety Audits

The Company has established on-site safety audit procedures to conduct inspections of workplace environments, operational activities, occupational safety and health (OSH) management systems, and related processes across all plants and new product development units. These audits aim to identify potential hazards, regulatory non-compliance, and unsafe conditions in order to prevent workplace accidents. Audit results are analyzed by the Headquarters' Occupational Safety and Health Department using Business Intelligence (BI) analytics to categorize audit findings. Statistical charts and dashboards are displayed on the Company's Smart Decision-Making Platform, enabling each unit to strengthen safety management by addressing commonly identified deficiencies and continued to monitor and track the status of corrective actions for identified deficiencies.

1. The Company's Digital Command Center, in collaboration with the OSH Department, oversees high-risk operations by conducting mobile on-site inspections and remote monitoring through fixed surveillance systems.
2. The OSH Department performs quarterly safety audits, including special inspections during plant shutdown and maintenance periods.
3. Plant supervisors conduct routine safety observations and safety patrols as part of daily operations.

Equipment Safety Management

The Company has established equipment and pipeline classification procedures, prioritizing inspection, maintenance, and servicing resources toward high-risk critical equipment to enhance equipment reliability and reduce failure rates. This approach ensures that equipment operates within safe operating limits and helps prevent industrial safety incidents. For hazardous machinery and equipment, the Company has implemented dedicated safety inspection procedures, including regulatory inspection applications, the establishment of inspection protocols and frequencies, and the execution of inspections to ensure full regulatory compliance. All legally regulated hazardous machinery and equipment at each plant undergo completion, periodic, and statutory inspections in accordance with the Regulations for Safety Inspection of Hazardous Machines and Equipment, thereby ensuring equipment safety and regulatory compliance.

Occupational Safety and Health Education and Training

To ensure that employees possess professional knowledge in occupational safety and health (OSH) and are competent in performing their duties safely—thereby preventing occupational accidents—pre-service training is provided to new hires and employees who are reassigned to different positions. In addition to completing legally required certification training, incumbent employees also receive task-specific training based on the potential hazards associated with their work activities and the corresponding preventive and protective measures. The implementation status of OSH education and training across the Company from 2023 to 2025 is as follows:

- 2025: A total of 6,509 training attendances, amounting to 14,847 training hours
- 2024: A total of 8,805 training attendances, amounting to 22,545 training hours
- 2023: A total of 11,677 training attendances, amounting to 25,978 training hours

ISO 45001 Occupational Safety and Health Management System Certification

The Company has obtained ISO 45001:2018 Occupational Safety and Health Management System (OSHMS) certification for the Toufen Plant, Dashe Plant, Hsiaokang Plant, and Douliou Plant. The certification scope covers all workers, including employees and non-employees. Third-party surveillance audits are conducted annually.

1. Toufen Plant obtained OHSAS 18001 Occupational Health and Safety Management System certification from the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, in 2009. In 2019, the certification was upgraded to ISO 45001, and the Plant was awarded the ISO

45001 certification by the Metal Industries Research & Development Centre. The certificate was valid from December 27, 2022 to December 26, 2025. The ISO 45001:2018/TOSHMS Occupational Health and Safety Management System accreditation registration was cancelled on November 13, 2025.

2. Dashe Plant obtained OHSAS 18001 and TOSHMS certification from the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, in 2009. In 2020, the system was successfully transitioned to ISO 45001 certification, issued by the Metal Industries Research & Development Centre. The current certificate is valid from May 16, 2023 to May 15, 2026.
3. Hsiaokang Plant obtained OHSAS 18001 and TOSHMS certification from the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, in 2004. In 2016, the system was successfully upgraded to ISO 45001 certification, issued by AFNOR International. The current certificate is valid from December 19, 2025 to November 4, 2028.
4. Douliou Plant obtained ISO 45001 certification from Lloyd's Register Quality Assurance in 2023. The current certificate is valid from September 12, 2023 to September 11, 2026.

Workplace Health Promotion

The Company implements comprehensive workplace health promotion programs each year, including general and special medical examinations, employee health check-ups, on-site physician services, and health education initiatives. Dedicated occupational health nurses regularly disseminate health and wellness information. In addition, the Company carries out the four major labor health protection programs in accordance with regulatory requirements. Health promotion activities at various sites include seminars on healthy nutrition, awareness campaigns on the prevention of occupational diseases, and fitness equipment training conducted by professional instructors. Group exercise and stretching sessions are also organized to encourage employees to actively participate in health and wellness initiatives.

Fire Risk Identification and Key Feasible Mitigation Measures

To effectively monitor and manage the use and storage of public hazardous materials, each plant prepares and maintains fire prevention and emergency response plans, plant layout maps, and Hazard Identification Cards (H-Cards). These materials are submitted to local fire authorities and displayed at key locations, including main gate security posts, plant control rooms, administrative buildings, and the Occupational Safety and Health (OSH) office. The Company conducts regular emergency response drills for fire incidents and chemical hazards to enhance preparedness and response capabilities. In accordance with Article 15-6 of the Fire Services Act, certified fire safety equipment has been installed, and Security Supervisor have been appointed to oversee and implement hazardous materials management in compliance with the approved fire prevention and emergency response plans. The number of emergency response drills conducted by each plant in 2025 is summarized as follows:

Site	Frequency
Toufen Plant	16
Dashe Plant	74
Hsiaokang Plant	59
Douliou Plant	45
Total	194

No fire incidents occurred in the Company in 2025.

<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Status (Note 1)</th><th rowspan="2">Deviation from the Corporate Social Responsibility Best-Practice Principles for the TWSE/GTSM Listed Companies, and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>(IV) Has the Company established effective career development training programs for its employees?</td><td>V</td><td></td><td>1.The company develops training plans for the professional development of all employees, systematically conducts career competency development training for colleagues at all levels, and arranges training for new employees upon registration, including general knowledge training on safety and health hazards necessary for the working environment, The company's system and culture are combined with a counselor system to help new colleagues adapt quickly, and through internal training, hiring external lecturers, external training, job rotation, and job agency, employees are trained to work in multiple roles and achieve professional and technical capabilities. Effective inheritance and improvement. It also provides subsidies for foreign language training and personal training to encourage employees to learn and grow on their own.
2. In addition, for the multi-faceted learning and ability improvement of colleagues, courses in related fields are regularly offered on the company's online learning platform 1314 learning resource, and through statistics and analysis of relevant learning hours/results, the learning status of all colleagues is understood, and adjust relevant course planning and arrangements in a timely manner. Course content includes: financial management, new training, communication skills, information management efficiency, corporate management annual training plan, and other categories. and technical capabilities. Additionally, the company has provisions for subsidies on foreign language and personal development courses, encouraging self-learning and growth among employees.
3. The 2025 employee training and development plan and its implementation status are explained below:
Professional Knowledge Training: Cultivating a Diversified Talent Pool
<table>
<tr><td>Targets</td><td>In alignment with distinct functional domains, the Company systematically strengthens employees’ professional knowledge, practical competencies, and risk awareness to enhance operational efficiency and quality performance, while ensuring full compliance with applicable laws, regulations, and safety standards. Through structured core training modules covering occupational health and safety (EHS), chemical engineering, mechanical maintenance, information management, and corporate management, the Company develops employees’ integrated capabilities in safe production, equipment reliability, process optimization, information governance, and organizational management. These initiatives support operational stability, robust risk management, and the achievement of the Company’s SDG.</td></tr>
<tr><td rowspan="4">Training Scope</td><td>◆ Occupational Safety and Environmental Protection: Safety, health, and environmental protection awareness must be embedded into daily operations. The training programs cover topics including the proper use of personal protective equipment (PPE), hazardous materials handling, workplace housekeeping and maintenance, compliance with environmental laws and regulations, and regulatory requirements.</td></tr>
<tr><td>◆ Chemical Engineering: Employees develop an in-depth understanding of chemical engineering principles and production processes, as well as methodologies for monitoring, controlling, and optimizing manufacturing operations. Training programs include chemical fundamentals, laboratory safety, equipment operation and maintenance, and chemical process design.</td></tr>
<tr><td>◆ Mechanical Maintenance: Personnel are required to be proficient in various mechanical equipment and tools, performing preventive maintenance, troubleshooting, and corrective repairs. Training programs encompass mechanical design principles, maintenance techniques, fault diagnosis and rectification methods, and safe operating procedures.</td></tr>
<tr><td>◆ Information Management: Employees are trained to master various information technologies, including database management, cybersecurity, programming, and data analytics. The curriculum also addresses IT project management and team coordination.</td></tr>
</table></td><td>No deviation</td></tr>
</table>

	◆ Business Management: Employees gain comprehensive knowledge of corporate operations and management, including finance, human resources, marketing, and strategic planning. Training programs cover topics in corporate management, including organizational operations, strategic management, human resource management, marketing operations, and financial reporting.
Explanation	In 2025, total training hours reached 50,679 hours.
	The training programs were provided to all employees, with a cumulative total of 2,424 participant attendances.

Succession Planning Program: Developing Professional Leadership Talent

Targets	The Company has established a structured succession planning framework supported by systematic training programs. The program focuses on four core competency categories, enabling succession candidates to strengthen their leadership capabilities, strategic decision-making skills, and organizational influence to ensure a well-prepared talent pipeline for the stable and effective transition of key positions.
Training Scope	◆ Leadership and Management: Strengthening accountable leadership, driving team engagement and performance momentum, and enhancing next-generation management capabilities, including talent retention and talent development strategies. **Courses:** ■ [Competency Framework – Succession Series] Accountable Leadership: Activating Employee Engagement and Performance ■ [Competency Framework – Succession Series] Generation Z Management Strategies: Communication, Talent Retention, and Talent Development
	◆ Communication Influence and Executive Presence: Enhancing high-impact communication, executive presence, persuasive influence, presentation delivery, and visual storytelling capabilities to foster cross-functional alignment and strengthen organizational execution. **Courses:** ■ [Competency Framework – Succession Series] CEO Live Forum: High-Impact Communication and Executive Presence Mastery ■ MasterCheers | Fluent Public Speaking: Integrated Skills for Reporting, Sales, and Professional Presentations
	◆ Decision-Making and Thinking: Developing systems thinking and enhancing decision quality to strengthen analytical capabilities and judgment when addressing complex and multifaceted challenges. **Courses:** ■ MasterCheers | Making Better Decisions: Enhancing Decision Quality and Judgment ■ MasterCheers | MIT Systems Thinking: Visual Communication for Solving Complex Problems
	◆ Talent Identification, Deployment, and Organizational Insight: Strengthening talent assessment and deployment capabilities, identifying managerial blind spots, and enhancing organizational insight to improve workforce decision-making and overall management effectiveness. **Courses:** ■ [Competency Framework – Succession Series] CEO Live Forum: Strategic Talent Identification and Deployment Beyond Managerial Blind Spots

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<table>
<tr><td></td><td>■ [Competency Framework – Succession Series] Disruption and Innovation: BCG Insights on CEO Management Blind Spots and Breakthrough Strategies</td></tr>
<tr><td rowspan="2">Explanation</td><td>In 2025, a total of 8 courses were offered, with cumulative training hours reaching 1,289.5 hours.</td></tr>
<tr><td>The program targeted middle-level managers and above, as well as designated employees, with a cumulative total of 1,103 participant attendances.</td></tr>
</table>
English Proficiency Enhancement Program: Fostering International Perspective
<table>
<tr><td>Targets</td><td>To strengthen employees’ international communication capabilities and cross-lingual information comprehension, the Company organizes the “Chinese-English News Reading” course. The primary objective is to enhance employees’ English reading comprehension and cultivate the ability to stay abreast of global news and professional information in real time. Through bilingual presentation, the course guides employees to become familiar with news-related vocabulary, sentence structures, and contextual applications, thereby further strengthening foreign language comprehension and interpretation capabilities in professional work settings.</td></tr>
<tr><td>Training Scope</td><td>The course regularly selects international English news articles, current affairs reports, and professional writings as instructional materials, guiding employees to engage with authentic and timely English content and thereby develop the ability to comprehend international issues and global trends. The curriculum is designed to promote integrated development of listening, reading, and speaking skills. Through news guidance and key vocabulary analysis, the course deepens content comprehension while effectively enhancing employees’ English oral communication proficiency and practical application capability.</td></tr>
<tr><td rowspan="2">Explanation</td><td>In 2025, a total of 13 courses were offered, with cumulative training hours reaching 261 hours.</td></tr>
<tr><td>The training programs were provided to all employees, with a cumulative total of 2,308 participant attendances.</td></tr>
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<td>(V) Has the Company complied with laws and international standards with respect to customers' health, safety and privacy, marketing and labeling issues in all products and services offered, and implemented consumer or customer protection policies and complaint procedures?</td>
<td>V</td>
<td></td>
<td>1. Policy: The Company has set up the "Customer Rights Protection Policy" and "Operating Procedures for Handling After-Sales Service and Customers' Complaint" to track and ensure that the quality of products meets customers' needs and maintain customer relations. A satisfaction survey is sent out to customers at the end of every year to obtain feedback on product quality, shipping situation, after-sales service and product image. We communicate with the customer to determine what improvements should be made for any areas that score below 70. We then review and develop strategies for improving product quality and services.
2. Channel: The Company provides a variety of customer grievance systems for customers to provide feedback.
Including: the [Contact Us] page on the official website, a dedicated external window (Quality Assurance Manager, Sales Representatives), an annual customer satisfaction survey, etc.
According to the customer's feedback, the Company will establish an internal procedure for handling customer complaints and improvement to ensure that customer feedback is fully conveyed, reviewed, and proper actions are taken to rectify the situation. In addition, we have established dedicated communication channels, including a Customer Contact Mailbox and an Integrity Reporting Mailbox. Customers may provide feedback or file grievances via email to ensure their rights are fully protected.
• Service Hotline: +886-2-8787-8637
• Customer Contact Email: sean@cpdc.com.tw
• Integrity Reporting Email: honest@cpdc.com.tw
3. Compliance with regulatory requirements: The Company's products are all marked in accordance with relevant regulations and international standards.</td>
<td>No deviation</td>
</tr>
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<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Status (Note 1)</th><th rowspan="2">Deviation from the Corporate Social Responsibility Best-Practice Principles for the TWSE/GTSM Listed Companies, and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>(VI) Has the Company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental protection, occupational safety and health or work rights/human rights issues, and tracked suppliers' performance on a regular basis?</td><td>V</td><td></td><td>The Company has long been committed to sustainable operations and responsible governance. In addition to establishing the "CPDC Corporate Sustainable Development Best Practice Principles" to institutionalize its sustainable development, the Company has further formulated a "Sustainable Supply Chain Management Policy." This policy is intended to be jointly upheld by suppliers, contractors, and business partners in compliance with applicable laws and regulations. The policy encompasses key areas including labor rights and human rights protection, employee health and occupational safety, environmental protection, business integrity, and corporate ethics. Through collaborative efforts, the Company seeks to promote a balanced integration of economic growth, social responsibility, and environmental stewardship, thereby advancing the overall sustainable development of the supply chain.
<table>
<tr><td>Supplier Evaluation</td><td>Since 2019, the Company has implemented a Supply Chain Sustainability Risk Assessment Project, under which key suppliers are evaluated across five core dimensions: labor and human rights, business ethics and integrity, environmental protection, occupational safety and health, and sustainability governance and disclosure, in order to assess their overall ESG performance. The assessment results serve as the basis for supplier classification and tiered management, and are further used to formulate corresponding ESG improvement requirements. In 2025, the Company conducted on-site human rights due diligence for four transportation service suppliers, achieving an average score of 96, indicating a generally strong level of supplier performance.</td></tr>
<tr><td>Supplier Audit</td><td>Suppliers with the Company's major suppliers require compliance with applicable local laws and regulations as a fundamental condition, including requirements related to corporate governance, environmental protection, labor standards, and human rights protection. The Company also promotes the signing of the Supplier / Contractor / Partner Code of Conduct Commitment, which has been incorporated into contract management. For suppliers entering into contracts with the Company after July 2016, the signing rate has reached 100%. Once all suppliers have completed the signing process, the Company will progressively enhance supplier management through scheduled and ad hoc assessments or on-site audits During transportation supplier audits conducted in 2025, no violations of labor law regarding working hours were identified, and transportation providers have increasingly demonstrated heightened attention to driver working hours and safety management in recent years.</td></tr>
<tr><td>Supplier Training</td><td>The Company provides occupational safety and health training to contractors on a case-by-case basis. Prior to site entry, all contractors are required to complete site-specific safety training administered by the Company to ensure operational safety and awareness of occupational health and safety responsibilities. In 2025, the Company conducted more than 162 occupational safety training sessions, continuing to strengthen the occupational safety and health management capabilities of suppliers and contractors.</td></tr>
<tr><td>Supplier Forums and Recognition</td><td>The Company encourages suppliers to sign the "Supplier / Contractor / Partner Code of Conduct Commitment," incorporates the commitment into contractual agreements, and promotes voluntary self-declarations to jointly uphold Environmental, Social, and Governance (ESG) principles. For suppliers that entered into contracts with the Company after July 2016, the commitment signing rate has reached 100%. Going forward, the Company will continue to foster supplier development through ongoing communication, sustainability knowledge sharing, and best practice exchanges, and plans to organize supplier forums and recognition programs to promote continuous improvement and long-term partnership growth.</td></tr>
</table></td><td>No deviation</td></tr>
</table>

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<tr><td>V. Does the Company prepare sustainability reports or any report of non-financial information based on international reporting standards or guidelines? Are the above-mentioned reports supported by assurance or opinion of a third-party certifier?</td><td>V</td><td></td><td>In 2013, the Company published the first edition of the “Corporate Social Responsibility Report” and changed its name to “Sustainability Report” at the request of the regulatory authority since 2021.
The sustainability report prepared thereafter refers to the GRI Standards of the Global Reporting Initiative (GRI) and the International IR Framework published by the International Integrated Reporting Council and obtains the guarantee opinion of the third-party verification unit. The 2024 Sustainability Report was established in accordance with the Sustainability Accounting Standards Board's (SASB) industry standard for the Chemicals sector, adopted by the Task Force on Climate-related Financial Disclosures (TCFD) guidelines established by the Financial Stability Board (FSB). These disclosures aim to reveal ESG issues and climate-related risks that may impact the company's financial condition and operational performance, along with relevant financial information. The sustainability report is externally verified by the British Standards Institute (BSI) with the AA1000 Assurance Standard v3 Type II High Assurance Level.</td><td>No deviation</td></tr>
<tr><td colspan="5">VI. If the Company has established its own sustainable development guideline based on "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies", please describe any discrepancy between the principles and their implementation:
The Sustainable Development Committee, in accordance with the Sustainable Development Best Practice Principles and the Organizational Regulations of the Sustainable Development Committee, submits to the Board of Directors the implementation plan for the next year's corporate sustainable development after discussion by the Sustainable Development Committee at the end of each year, and regularly reports to the Board of Directors on the implementation results and stakeholders' concerns at the end of the following year.</td></tr>
<tr><td colspan="5">VII. Other important information to facilitate a better understanding of the Company's implementation of the sustainable development:</td></tr>
<tr><td colspan="5">1. Environmental Protection: Actively promotes environmental protection and production efficiency through investments in renewable energy, technological applications, and strategic collaborations to achieve a balance between economic benefits and environmental sustainability. Solar power generation is utilized to reduce CO_2e emissions. Additionally, implemented multiple equipment optimization and efficiency enhancement projects.
2. Occupational Health and Safety Management: Each plant has established its own management plan to maintain a healthy and safe working environment for employees. Continuously promote the ISO 45001 management system and process safety management, establishing key performance indicators (KPIs) and adopting the PDCA cycle to cultivate a culture of safety.
3.Human Resource Development: Adhering to a people-oriented approach, the Company places great emphasis on internal talent development while actively attracting outstanding external talent. Through diverse recruitment channels, competency assessments, and a friendly workplace environment, employee satisfaction and engagement have been improved. Training in digital transformation and enhanced application of technological tools are provided, while a clear performance evaluation mechanism facilitates professional growth and sustainable development, creating a competitive advantage for the Company.
4. Public Welfare Promotion: The Company sponsored the "Divine Melodies and Graceful Dance: Dunhuang Musical and Dance Culture Exhibition" organized by the Sheen Chuen-Chi Cultural and Educational Foundation and “Turning the Corner, Encountering You” – Huashan Special Exhibition, promoting public awareness of traditional culture and supporting local cultural activities. Furthermore, the Company has actively contributed to community development and sustainability goals through blood donation drives, care programs for the elderly and children with special needs.
5. Corporate Governance: Establish Risk Management Policies and Procedures, Regulations Governing Management of Related Party Transactions, Anti-Corruption and Anti-Bribery Policy, Position Statement on Climate Change Public Policy and Participation, Privacy Policy, Customer Rights Protection Policy, and Corporate Value Enhancement Plan.
6. Awards and Recognitions
• Recognized for six consecutive years as a Sustainability Yearbook Member by S&P Global, ranking in the 96th percentile (PR96).
• Participated in the Carbon Disclosure Project (CDP) assessments for eight consecutive years, achieving management level ratings (B) for both Climate Change and Water Security.
• Received multiple awards in the 18th Taiwan Corporate Sustainability Awards (TCSA), including the "Outstanding Sustainable Enterprise Award" for overall performance, Gold Award in the Traditional Manufacturing – Category 1 for the Sustainability Report.
• Awarded the 1.5°C Certificate Label under the TRIPs by CommonWealth Magazine.
• Received the Outstanding Net-Zero Industrial Excellence Award (Plastics Industry) from the 21st Century Foundation.
• "Top 100 Carbon Competitiveness Companies" by Business Weekly.
• Dashe Plant and Hsiaokang Plant were honored by the Ministry of Environment with the “2025 Outstanding Adoption Unit for Air Quality Purification Zones” award.</td></tr>
</table>

Note 1: If Implementation Status is specified "Yes," please explain the key policies, strategies and measures taken and the current progress in the "Summary Description"; if Implementation Status is specified "No," please provide reasons and explain any policy, strategy and measure plan for the future in the "Deviation from the Corporate Social Responsibility Best-Practice Principles for the TWSE/GTSM Listed Companies, and reasons thereof".

Note 2: Materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.

Note 3: Total Greenhouse Gas emissions, Water Consumption, and Waste weight in the past two years

Year	Information Coverage	Greenhouse Gas Inventory (ton-CO_2e)				Water Consumption (tons)	Water Intensity (million liters/million production value)	Waste (tone)		Waste Intensity (tone/million production value)
		Scope 1	Scope 2	Intensity (Scope 1&2 tone- CO_2e/ million)	Scope 3			Hazardous	Non-Hazardous	
2025	Four Plant and Taipei Office	386,856	129,310	26.7	1,136,949	4,876,865	0.25	32,763	15,137	2.47
2024	Four Plant and Taipei Office	683,860	172,356	35.5	1,351,707	6,198,948	0.21	27,407	18,258	1.56

*Due to the revision of revenue figures in the 2025 financial statements, the related intensity metrics for the previous year have also been adjusted accordingly.

Note 4: Greenhouse Gas, Water Consumption, and Waste Reduction Goals and Achievement Status

Policy Items	Base Year Data	Reduction Goals	Achievement Status
Greenhouse Gas	2,450,918 tons of emissions in 2005	Total emissions reduce by 50% compared to the baseline year in 2030.	The emissions in 2025 reduced by 65.2% compared to the base year.
Water Consumption	In 2013, the water consumption per unit of product at the Toufen Plant was 39 tons/ton-product. In 2013, the water consumption per unit of product at the Dashe Plant was 11.51 tons/ton-product. In 2014, the water consumption per unit of product at the Hsiaokang Plant was 21.73 tons/ton-product. In 2019, the water consumption per unit of product at the Douliou Plant was 3.44 tons/ton-product.	2% reduction of estimated annual water consumption.	Water saving reaches 26.8% of reduction target in 2025.
Waste Disposal	Based on emissions in the previous year.	2% reduction per year.	Waste intensity (metric tons/million revenue) reduced by 5% in 2025 compared with 2024.

Note 5: Verification Data of Greenhouse Gas, Water Consumption and Waste

Verification Item	Verification Standard	Verification Entity	Verification Result	Verification Year	Verification Scope
Greenhouse Gas	ISO 14064	DNV	Under verification	2025	Production plants and Taipei Office
			Completion of verification	2024	
Water Consumption	AA1000	BSI	Scheduled to obtain verification in July	2025	
			Completion of verification	2024	
Waste Disposal	AA1000	BSI	Scheduled to obtain verification in July	2025	
			Completion of verification	2024	

Climate-Related Information of TWSE/TPEx Listed Company

1. Implementation of Climate-Related Information

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Since September 2013, CPDC has established a Corporate Social Responsibility Committee (CSR Committee) across 22 departments and offices. In December 2021, the Committee was promoted to the "Sustainable Development Committee", with the Chairman of the Board of Directors as the Chairman, the General Manager as the Executive Committee member, the senior executives General Manager of the relevant departments as members, and the Occupational Safety and Health Department, Environmental Protection & Pollution Control Department and the Corporate Relations Department as the Executive Secretariat to coordinate the operation of the Committee. The Executive Secretariat is responsible for analyzing the risks and opportunities associated with climate change, using the Task Force on Climate-related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board to identify significant climate change risks to CPDC, developing a climate change strategy, and conducting financial impact analysis for high-risk climate factors.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term)	In the short term, CPDC is actively investing in energy saving, carbon reduction, water saving and waste reduction to improve the quality of emissions and reduce emissions; in the medium and long term, CPDC is developing green innovation and green processes, strengthening the integration of upstream and downstream raw material supply chains to enhance its overall competitiveness, and predicting the crisis and losses from extreme changes through simulations and formulating response strategies in advance.
3. Describe the financial impact of extreme weather events and transformative actions.	CPDC has identified the risk factors caused by extreme climate as "increase in the price of greenhouse gas emissions", "extreme changes in rainfall patterns and climate patterns (e.g. droughts, typhoons, heat waves)", "increase in raw material acquisition costs", "cost of switching to low carbon emission technologies", "replacement of existing products by lower carbon options", etc. We can see that we will encounter an increase in overall operating costs, but at the same time, we will also promote the overall development of green innovation, green procurement, and continue to actively invest in energy saving, carbon reduction, water saving, and waste reduction to improve the quality of pollution emissions and reduce emissions.

Item	Implementation Status
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The climate risk factors identified by the chemical industry benchmark are compared with those of Sinopec every year, and then adjusted for materiality, and finally confirmed by the Sustainable Development Committee. The primary methodology is to identify the potential impact and vulnerability through a risk matrix, classify each type of risk by type, meaning, impact, and period of occurrence, and develop risk management and response measures.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The scenario analysis includes "BAU scenario," "RTS scenario," "B2DS scenario," "1.5C scenario," and other four models, relevant parameter assumptions and analysis factors such as starting price, annual rate of increase, price cap, etc., to explore the possible financial impact before 2050 and countermeasures.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	In response to climate change, CPDC has gradually transformed its operations in various aspects, such as switching from coal to natural gas for energy, shifting production to more efficient manufacturing processes, and setting short-, medium- and long-term carbon reduction targets, as well as annual targets for energy saving, carbon reduction, water saving and waste reduction.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	CPDC complies with the Climate Change Response Act by implementing an internal carbon pricing mechanism. The carbon price benchmark is set at NT$300 per metric ton of CO_2. A shadow pricing approach is applied to account for the implicit costs when purchasing equipment or executing projects.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	CPDC takes 2005 GHG emissions as the base year and sets short (20% less GHG emissions than the base year in 2025), medium (50% less GHG emissions than the base year in 2030) and long (100% less GHG emissions than the base year in 2050) targets, covering all major production plants of the Company, and GHG emissions calculations include Scope 1 and Scope 2. Reduce GHG emissions by 78.9% by 2025 compared to the base year (It is the number of internal inventory).
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).	Since 2008, CPDC has completed greenhouse gas inventory and third-party verification annually. The details of the 2025 and 2024 annual inventory and assurance are as shown in 1-1.

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

1. The parent company entity should commence inventory auditing starting from the year 2023.
2. Subsidiaries subject to consolidated financial reporting shall commence inventory checks starting from the year 2025.

The consolidated company has established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1 greenhouse gas accounting standard. Starting in 2025, the Company will conduct an annual inventory of greenhouse gas emissions for both the parent company and its consolidated financial reporting subsidiaries, fully monitoring greenhouse gas usage and emissions, and verifying the effectiveness of reduction measures.

In addition, the greenhouse gas inventory data for the past two years have been compiled based on the operational control approach, encompassing the greenhouse gas emissions of the Company and all subsidiaries included in the consolidated financial statements, as detailed below:

		2024		2025	
		Emissions (tons CO_2e)	Intensity (tons CO_2e/NT$1 million in revenue)	Emissions (tons CO_2e)	Intensity (tons CO_2e/NT$1 million in revenue)
The Company	Scope 1 Direct GHG emissions	683,859.8858		386,855.9912	
	Scope 2 Indirect GHG Emissions	172,356.1164		129,309.8703	
	Subtotal	856,216.0022		516,170.0726	
All Subsidiaries in the Consolidated Financial Statements	Scope 1 Direct GHG emissions	145,395.2671		140,755.2485	
	Scope 2 Indirect GHG Emissions	41,127.8326		28,737.3015	
	Subtotal	186,523.0997		169,492.5500	
Total		1,042,739.1019	35.5062	685,658.4115	35.4036

Note:

- In accordance with the classification of the Qiaotou Plant as a discontinued operation in the Company's 2025 financial statements, and in order to maintain consistency between the greenhouse gas inventory boundary and the scope of financial disclosures, as well as to ensure comparability of information across reporting periods, the greenhouse gas emissions and emissions intensity figures for 2024 have been retrospectively restated in this table.
- Revenue for 2024 was NT$29,367.781 million; for 2025, it was NT$19,217.032 million
- Emissions Intensity = (Scope 1+ Scope 2) / Revenue
- The 2025 figures are based on the Company's internal greenhouse gas inventory.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
1. The parent company entity should commence assurance starting from the year 2024. 2. Subsidiaries subject to consolidated financial reporting shall commence assurance starting from the year 2027. 3. The Company's greenhouse gas emissions for the year 2024 accounted for 100% of the total emissions of the parent company. The assurance was conducted by DNV in accordance with relevant assurance standards. Emissions that fall under the jurisdiction of the competent authorities were handled in accordance with the Ministry of Environment's regulations. Those not subject to the competent authorities' regulations were audited according to ISO 14064-1 and assured in accordance with ISO 14064-3 or relevant assurance standards. The assurance opinion was a conclusion/opinion of limited assurance with no reservations. 4. The Company's complete and assured greenhouse gas emissions data for 2025 will be disclosed in the Sustainability Report.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
● Base year for greenhouse gas reduction: 2005 ● Base year emissions: 2,450,918 metric ton-CO_2e ● Reduction goals (Scope 1+2): 20% reduction in 2025, 50% reduction in 2030, and 100% reduction in 2050. ● Strategy and specific action plan: Set an annual target of reducing emissions by 2% in the base year, and plan the company's long-term carbon reduction path, hold energy-saving and carbon reduction meetings every quarter to review the implementation of the project, and review the long-term carbon reduction path every year. ● Achievement of reduction targets: Emissions in 2025 are expected to be reduced by 1,934,752 metric ton-CO_2e (approximately 79%) compared with the base year.

(VI) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

<table>
<tr><th colspan="2" rowspan="2">Item Assessed</th><th colspan="3">Operation Status (Note)</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td rowspan="3">I. Establishment of ethical corporate management policies and programs</td><td>(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</td><td>V</td><td></td><td>The Company's "Standards of Ethical Conduct" and "Company Business Integrity Code" were established in 2012 after being approved by the Board of Directors, and later amended and approved by the Audit Committee and the Board of Directors after discussion on August 13, 2025, and were disclosed and reported on the Company's public website, Sustainability Report, and the Market Observation Post System.
The Company requires directors and senior management to sign a "Statement of Declaration of Compliance with the Integrity Management Policy", which specifies that directors, senior management and all employees should actively comply with the Integrity Management Policy when conducting business.</td><td>No deviations</td></tr>
<tr><td>(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</td><td>V</td><td></td><td>The Company's "Company Business Integrity Code" stipulates that the Company shall include in its prevention plan an analysis of business activities within the scope of business that pose a higher risk of dishonest conduct and strengthen relevant preventive measures. The prevention protocol shall at least cover the prevention measures for the following behaviors:
1. Bribery and acceptance of bribes.
2. Illegal political contributions.
3. Improper charitable donations or sponsorships.
4. Offering or accepting unreasonable gifts, entertainment or other tangible or intangible improper benefits.
5. Infringement of trade secrets, trademarks, patents, copyrights and other intellectual property rights by the person in physical control.
6. Engage in unfair competitive practices.</td><td>No deviations</td></tr>
<tr><td>(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</td><td>V</td><td></td><td>The Company's "Procedures for Ethical Management and Guidelines for Conduct" are established in accordance with Article 6 of the Company's "Company Business Integrity Code".
Article 24 of the "Company Business Integrity Code" and Article 24 of the "Procedures for Ethical Management and Guidelines for Conduct" provide for a system of rewards, penalties and complaints for violations of the rules for integrity management. The Company's Legal Department reports to the Board of Directors at least once a year on the implementation of ethical management.</td><td>No deviations</td></tr>
<tr><td>II. Ethical Management Practice</td><td>(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</td><td>V</td><td></td><td>The Company fully understands the integrity of the contracting parties when entering into external contracts, and includes compliance with the integrity management policy in the contract terms:
1. The other party may terminate or cancel the contract unconditionally at any time in the event of dishonesty in the business activities of either party.</td><td>No deviations</td></tr>
</table>

Item Assessed		Operation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
		Yes	No	Summary Description	
				2. Establish clear and reasonable payment details, including the place and manner of payment, and the relevant tax regulations to be complied with.	
	(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		In order to improve the management of honest management, The Company's Human Resources Department and Legal Department are responsible for the formulation and promotion of policies and preventive programs on integrity management, and are mainly responsible for the following matters, and the Legal Department reports to the Board of Directors on a regular basis (at least once a year) on the current year's operation and implementation: 1. We assist in incorporating integrity and ethical behavior into the company's business strategy and establish measures to ensure integrity in accordance with national laws and regulations. 2. We have established protocols for the prevention of unethical behavior, and standard operating procedures and behavioral guidelines related to our business operations within each protocol. 3. We plan the internal organization, establishment and duties, and put in place a mutual supervision and check mechanism for business activities with higher risk of unethical behavior within the business scope. 4. We promote and coordinate the promotion of integrity policy and education and training. 5. We plan an internal whistle-blowing system to ensure effective enforcement. The Company reported to the 17th meeting of the 23rd Board of Directors on December 24, 2025 on the implementation of integrity management in 2025, as follows: 1. The foundation of integrity management has been firmly upheld by complying with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, relevant regulations governing listed and OTC companies, and other applicable laws and regulations related to business conduct. 2. The Company's Auditorial Office conducts the "Standards of Ethical Conduct and Company Business Integrity Code" in 2025. The audit results revealed no irregularities. 3. The Company organized educational training and awareness programs on topics such as integrity	No deviations

			management and procedures for handling material internal information. 4. Prohibition of Insider Trading (1) The Company’s Shareholder Service Office conducts written communications (via paper or email) to directors before the commencement of the blackout period for the annual and quarterly financial reports, reminding them of the prohibition on trading CPDC's stock during the blackout period. In 2025, this reminder was issued 4 times. (2) The Company’s Human Resources Department organized training on "Procedures for the Prevention of Insider Trading and Handling of Material Inside Information," with 910 employees participating. (3) No violations of the prohibition on insider trading occurred in 2025. 5. Insider Shareholding Change Reporting (1) In 2025, the Company’s Stock Affairs Office and Secretariat, in accordance with the letters issued by the Taiwan Stock Exchange, conducted promotional communications via email to nine directors (reduced to eight directors following the resignation of one independent director effective October 1, 2025) and other insiders, regarding “Common Types of Violations of the Securities and Exchange Act Concerning Insider Shareholding Change Reporting” on four occasions, and the “2025 Insider Equity Transaction Legal Compliance Promotion Briefing” on three occasions, totaling seven promotional sessions in 2025. (2) The Company’s Shareholder Service Office consolidates the monthly reports of insider shareholding changes submitted by employees and reminds them of the relevant insider reporting regulations under the Securities and Exchange Act. (3) No violations of the insider shareholding change reporting regulations occurred in 2025. 6. Prevention of Conflicts of Interest (1) All employees are required to understand the Company’s conflict of interest policy on their first day of employment and sign the "Business Conduct Policy" to ensure compliance. (2) The "Rules of Procedure for Board of Directors Meetings" explicitly establish a director conflict of interest avoidance system, with instances of avoidance are disclosed in the Company’s annual report. (3) The "Procedures for Ethical Management and Guidelines for Conduct" outline the conflict of interest avoidance policies for the Company’s directors, managerial officers, and all employees.	

Item Assessed		Operation Status (Note) Yes	No	Summary Description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
				(4) No violations of the conflict of interest policy occurred in 2025. 7. Whistleblowing System (1) The "Company Business Integrity Code," "Procedures for Ethical Management and Guidelines for Conduct," "Standards of Ethical Conduct," and "Whistleblower Reward and Protection Measures" clearly establish that the Company encourages both internal and external personnel to report unethical behavior to the Auditorial, and outlines the procedures for handling reported cases. (2) The Company's external website provides an independent whistleblower mailbox and hotline for use by whistleblowers, and allows for anonymous reporting.	
	(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		Article 11 of the Company's "Procedures for Ethical Management and Guidelines for Conduct" provides for a policy of recusal of interests of directors, managers and all personnel of the Company. Article 7 stipulates that if any personnel of the Company receive improper benefits from others, they should report to their immediate supervisors and, if necessary, inform the Company's specialized units of the procedures for handling the matter. All new employees of the Company are required to sign the "Business Conduct Policy" to avoid any damage to the Company due to conflict of interest, and all directors and senior management should sign the "Statement of Declaration of Compliance with the Integrity Management Policy".	No deviations
	(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		The Company has established an effective accounting system and an internal control system, which are implemented and enforced in accordance with the regulations. The auditing department conducts audits on a regular basis and reports the results to the Audit Committee and the Board of Directors on a regular basis so that the management can understand the implementation of the Company's internal control for management purposes.	No deviations
	(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		At least once a year, the Company conducts educational training and e-mail campaigns for directors, managers and all employees on "Company Business Integrity Code (including the Procedures for Ethical Management and Guidelines for Conduct)", "Prohibition of Insider Trading" and "Procedures for Handling Material Inside Information" to convey the importance of integrity	No deviations

in management. The education and training sessions conducted in 2025 are as follows:

Implementation Method	Date	Topic	Target Audience / Number of Participants
Email	1/20	(Forwarded TWSE notice) Common violations of Securities and Exchange Act regulations regarding insider shareholding change reporting	9 Directors
Email	4/1	(Forwarded TWSE notice) Common violations of Securities and Exchange Act regulations regarding insider shareholding change reporting	9 Directors
Email	11/3	Procedures for Handling Material Non-Public Information of the Company	8 Directors
Email	12/2	Promotion of the Company's Code of Ethical Corporate Management	8 Directors
Online Course	4/1	2025 China Petrochemical Development Corporation Integrity Promotion Education – Debunking Misconceptions about Improper Benefits and Administrative Convenience	981 Employees
Online Course	1/1	2024 Corporate Integrity Education and Training – Integrity Is Good Business	85 Employees

III. Implementation of Complaint Procedures	(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	V		1. To establish a corporate culture of integrity and transparency, promote sound operation, and protect informant rights, the Board of Directors has approved the formulation of the Company Business Integrity Code and Whistleblower Reward and Protection Policy with a hotline, email address, and other channels announced on our official website for internal and external reports on crimes, frauds, violations, and unethical conduct. 2. The channels are as follows: (1) Whistleblowing Hotline: 02-8787-1003 (2) Whistleblowing Email: honest@cpdc.com.tw (3) Processing Unit: Audit Office 3. Article 24 of the Procedures for Ethical Management and Guidelines for Conduct stipulates that ethical management is incorporated in KPI evaluations and HR policies with clear and effective systems for rewards, punishments, and appeals.	No deviations
	(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		1. The Company Article 23 of "Integrity Management Code", Article 21 of the " Procedures for Ethical Management and Guidelines for Conduct", and the " Whistleblower Reward and Protection Measures " clearly stipulate that the identity and content of the reporter shall be kept confidential when handling reports, and anonymous reports are allowed. The second paragraph of Article 21 of the " Procedures for Ethical Management and Guidelines for Conduct" stipulates the handling procedures after accepting reports. 2. Principle of acceptance: the following information is required (1) The name and ID No. of the whistleblower or to remain anonymous, and their contact phone number and email address. (2) Sufficient identification on the accused. (3) Specific facts for investigation. 3. Investigation SOPs and follow-ups: (1) Regular employees shall be reported to their department supervisor. Accusing directors or senior executives shall be reported to independent directors or the audit committee. (2) Upon discovery or receipt of unethical conduct, the Company shall immediately verify relevant facts. If violations of integrity management policies and regulations are confirmed, the Company shall immediately require the violator to cease relevant conduct, make a proper disposition, and seek damages through legal proceedings if necessary to maintain reputation and equity.	No deviations

Item Assessed		Operation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
		Yes	No	Summary Description	
				(3) Written documents of the investigation and results shall be retained in digital format for processing over 5 years. Before the expiration of the retention period, all information shall be kept until the end of relevant litigation. (4) For unethical conduct, the Company shall instruct relevant units to review internal control systems and operating procedures before proposing improvement measures to prevent recurrence. (5) The audit office shall report to the Board of Directors on dishonest behavior, handling methods of each unit, follow-up reviews, and improvement measures. 4. Confidentiality: Identities and report contents shall be kept confidential with the whistleblower protected from improper treatment. (1) The name, work unit, address, and telephone number of the whistleblower must be kept strictly confidential. Unless with their consent, all matter or statement sufficient for identification shall not be disclosed to the public. (2) During investigation stage, responses and requests of evidence shall be carried out without exposing the identity of the whistleblower. (3) No materials shall be presented to the unit or party exposed to fraud, except as necessary for investigation. If presentation is required, a redacted version shall be approved by the head of the department responsible to protect the identity of the whistleblower.	
	(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	V		A whistleblower protection system has been established within the scope of the Company Business Integrity Code, Procedures for Ethical Management and Guidelines for Conduct, and Regulations for the Reward and Protection of Whistleblowers. 1. Identities and report content shall be kept confidential with whistleblowers protected from improper treatment. 2. Employment rights of the whistleblowers shall be protected. The Company will not dismiss, demote, reduce wages, or discriminate against whistleblowers based on merits or the improper treatment of the cases.	No deviations
IV. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its		V		The Company has disclosed the "Company Business Integrity Code", "Procedures for Ethical Management and Guidelines for Conduct" and "Standards of Ethical Conduct" on its website and	No deviations

website and the Market Observation Post System (MOPS)?			reported them on the Market Observation Post System. The Company discloses the annual "Implementation of Ethical Business Management" on the Company's website every year.	

V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation:

The Company has established the "Company Business Integrity Code of China Petrochemical Development Corporation" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", and there is no material deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" in terms of the contents and operation of the Code.

VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies:

1. The "Company Business Integrity Code" and "Standards of Ethical Conduct" were established in 2012 after discussion and approval by the Board of Directors, and revised on August 13, 2025 after discussion and approval by the Audit Committee and the Board of Directors; the "Procedures for Ethical Management and Guidelines for Conduct" were revised on August 19, 2025 by letter No. 1140000981 issued by CPDC Human Resources.
2. The Company discloses its integrity management policy on its internal website, annual report of shareholders' meeting, external website and sustainability report so that suppliers, customers or other stakeholders can understand the Company's integrity management philosophy and standards.
3. At least once a year, the Company conducts educational training and e-mail campaigns for directors, managers and all employees on "Company Business Integrity Code (including the Procedures for Ethical Management and Guidelines for Conduct)", "Prohibition of Insider Trading" and "Procedures for Handling Material Inside Information" to convey the importance of integrity in management, so that all employees are fully aware of the Company's integrity management policy, the reporting system and the consequences of violating the integrity management policy.
4. The Company strictly requires senior managers, supervisors, employees and field operators to comply with the "Technical Document Management Procedures" and other information security regulations, and holds regular education and training. In addition, all employees are required to sign the confidentiality agreement upon arrival and departure.
5. All employees of CPDC have signed the "Integrity Statement".

Note: The operation situation shall be described in the summary description field, regardless of whether "Yes" or "No" is checked.

(VII) Other important information that would enhance understanding of corporate governance operations may be disclosed together with:

1. The "Procedures for Handling Material Inside Information" established to manage the Company's internal material information have been communicated to all directors, managers and all employees, and the procedures and precautions are posted on the Company's intranet for all employees to follow so as to avoid violations of laws and regulations, and education and guidance are conducted at least once a year.
2. Upon assuming office, all newly appointed directors of the Company are provided with a copy of the directors' circular and handbook and the securities market regulations to which they should pay attention, and the latest version of the insider trading manual prepared by the Taiwan Stock Exchange and the Company's important regulations are distributed to all insiders, including directors and managers, for their compliance and understanding.
3. **Implementation Status of the Company's Intellectual Property Management Plan**

Intellectual Property Management Plan

To strengthen its industry leadership position and safeguard its hard-earned technological achievements, the Company formulates its intellectual property strategy by integrating corporate operational objectives with research and development resources. Through an intellectual property–driven value enhancement model, the

Company aims to further protect business operations, reinforce competitive advantages, and enhance corporate profitability.

Patent Management

The Company's R&D unit is responsible for technological development, and external patent firms are engaged occasionally to assist in patent portfolio planning and applications. In addition to improving existing manufacturing processes, the scope of patent applications also covers technological protection and strategic deployment for future product development. This approach is aimed at creating diversified, high-value-added, and specialized products while enhancing the added value of the Company's nylon products.

Trade Secret Management

The Company has established confidentiality requirements in its Employee Code of Conduct and employment contracts as follows:

(1) Employees are obligated to maintain the confidentiality of proprietary business information and technical data pertaining to their assigned duties and the Company's operations.

(2) Employees are prohibited from disclosing any Company confidential information during or after employment. In the event of a violation, the Company reserves the right to pursue relevant civil and criminal liabilities in accordance with the law.

(3) When recruiting new employees, the Company also requires that they must not disclose or use trade secrets belonging to their previous employers.

In recent years, the Company has actively expanded its overseas presence and accelerated its market penetration in Asia. To prudently plan its strategic positioning and overseas business development, key initiatives such as overseas intellectual property portfolio analysis, establishment of intellectual property regulatory compliance systems, and integration of intellectual property management systems are regularly reviewed through the Company's business meetings to ensure proper response to potential operational risks.

Implementation Status

(1) The Company has submitted the intellectual property management plan, the implementation status of the 2025 Intellectual Property Management System, and related matters to the 16th meeting of the 23rd Board of Directors held on December 11, 2025.

(2) The Company has introduced the intellectual property management system since 2020. The major implementation results in recent years are summarized as follows:

   A. In 2014, the Company enhanced its intellectual property management plan.

   B. In 2016, the intellectual property policy and objectives were updated to encourage employees to actively increase the number of internal patent review proposals.

   C. In 2018, trade secrets were incorporated into the intellectual property management plan to strengthen intellectual property capabilities.

   D. In 2019, more organizational units were incorporated into the intellectual property management system.

   E. In 2020, in response to amendments to intellectual property regulations, the pre-employment training course titled "Introduction to the Intellectual Property Management System of CPDC" was updated.

   F. In 2021, intellectual property training courses were established according to different job responsibilities to strengthen employees' knowledge of intellectual property relevant to their duties.

   G. In 2024, the Company revised its intellectual property management documentation and updated intellectual property management objectives.

H. In 2025, in coordination with the Institute for Information Industry audit, the Company completed relevant document revisions and enhanced internal control measures for intellectual property management.

(3) Intellectual Property Achievements: In 2025, the Company obtained 2 newly granted patents, bringing the total number of patents held to 100.

<u>Certification</u>

The Company passed the A-level certification of the Taiwan Intellectual Property Management System (TIPS) in December 2024. The certificate is valid until December 31, 2026.

4. MOPS: https://mops.twse.com.tw
5. The Company's website: https://www.cpdc.com.tw Investor Relations

(VIII) Internal Control System Implementation Status

1. Statement of Internal Control System

中國石油化學工業開發股份有限公司

內部控制制度聲明書

日期：115年3月12日

本公司民國114年度之內部控制制度，依據自行評估的結果，謹聲明如下：

一、本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任，本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標的達成，提供合理的確保。

二、內部控制制度有其先天限制，不論設計如何完善，有效之內部控制制度亦僅能對上述三項目標之達成提供合理的確保；而且，由於環境、情況之改變，內部控制制度之有效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制，缺失一經辨認，本公司即採取更正之行動。

三、本公司係依據「公開發行公司建立內部控制制度處理準則」(以下簡稱「處理準則」)規定之內部控制制度有效性之判斷項目，判斷內部控制制度之設計及執行是否有效。該「處理準則」所採用之內部控制制度判斷項目，係為依管理控制之過程，將內部控制制度劃分為五個組成要素：1.控制環境，2.風險評估，3.控制作業，4.資訊與溝通，及5.監督作業。每個組成要素又包括若干項目。前述項目請參見「處理準則」之規定。

四、本公司業已採用上述內部控制制度判斷項目，評估內部控制制度之設計及執行的有效性。

五、本公司基於前項評估結果，認為本公司於民國114年12月31日的內部控制制度（含對子公司之監督與管理），包括瞭解營運之效果及效率目標達成之程度、報導係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制制度等之設計及執行係屬有效，其能合理確保上述目標之達成。

六、本聲明書將成為本公司年報及公開說明書之主要內容，並對外公開。上述公開之內容如有虛偽、隱匿等不法情事，將涉及證券交易法第二十條、第三十二條、第一百七十一條及第一百七十四條等之法律責任。

七、本聲明書業經本公司民國115年3月12日董事會通過，出席董事 8 人中，有0人持反對意見，餘均同意本聲明書之內容，併此聲明。

中國石油化學工業開發股份有限公司

董事長：陳瑞隆 簽章

總經理： 簽章

2. The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: The Company did not commission any CPA to conduct an audit of internal controls in 2025.

(IX) Major resolutions of Shareholders' Meeting and Board Meetings as at the most recent fiscal year and the current fiscal year up to the publication date of the annual report:

1. Major resolutions of the Shareholders' Meeting

Type of Meeting	Meeting Date	Summary of Motion
Shareholders' Meeting	2025/5/15	1. Approval of the 2024 Annual Business Report and Financial Statements. 2. Approval of the 2024 profit distribution plan. 3. Approval of amendments to certain provisions of the Company's Articles of Incorporation. 4. Amendments were made to certain provisions of the Company's "Regulations Governing the Acquisition and Disposal of Assets" 5. Approval of the disposal of certain investment properties in Kaohsiung City.

2. Major resolutions of the Board of Directors

Type of Meeting	Meeting Date	Summary of Motion
Board of Directors	2025/2/19	1. Approval of the Draft Agenda for the Company's 2025 Annual Shareholders' Meeting and Other Related Matters. 2. Approval of the Procedures for Accepting Shareholder Proposals for the Company's 2025 Annual Shareholders' Meeting. 3. Approval of the Renewal of the Company's Retained Legal Counsel. 4. Approval of the Retirement Application of Mr. Tsai, Assistant Vice General Manager of the Research and Development Division.
Board of Directors	2025/3/12	1. Approval of the Company's Stand-alone Financial Statement for Fiscal Year 2024. 2. Approval of the Company's Earnings Distribution Proposal for Fiscal Year 2024. 3. Approval of the Proposed Disposal of Certain Investment Properties in Kaohsiung City. 4. Approval of the Amendments to the Company's Procedures for Acquisition or Disposal of Assets. 5. Approval of the Amendments to the Company's Articles of Incorporation. 6. Approval of the Proposed Acquisition of Certain Public and Private Land in the Yantian Section, Annan District, Tainan City, for an amount not exceeding NT$120 million. 7. Approval of the Proposed Disposal of the Company's Shareholdings. 8. Approval of the Issuance of a Letter of Commitment for Continued Operations to Core Pacific Development Corporation.

Type of Meeting	Meeting Date	Summary of Motion
		9. Approval of the Company's Submission of the Pre-Approved Non-Assurance Services Item and the Scope and Description of Assurance Services. 10. Approval of the Independent Auditor's Independence Assessment and the Appointment of the Independent Auditor for Fiscal Year 2025. 11. Approval of the Company's Credit Facility Arrangements with Financial Institutions. 12. Approval of the Company's Business Report for Fiscal Year 2024. 13. Approval of the Completion of the Company's Self-Assessment of the Internal Control System for Fiscal Year 2024 and the Issuance of the Statement on Internal Control System Based on the Self-Assessment Results. 14. Approval of the Proposal to Report the Directors' Remuneration for Fiscal Year 2024 at the 2025 Annual Shareholders' Meeting. 15. Approval of the Distribution of Directors' Remuneration for Fiscal Year 2024. 16. Approval of the Distribution of Employee Compensation for Fiscal Year 2024. 17. Approval of the Convocation Matters and Draft Agenda for the Company's 2025 Annual Shareholders' Meeting. 18. Approval of the Company's Organizational Restructuring and Amendments to Organizational Regulations. 19. Approval of the Changes in Managerial Appointments within the Company. 20. Approval of the Retirement and Severance Payments for Mr. Tsai, Assistant Vice General Manager of the Research and Development Division.
Board of Directors	2025/5/14	1. Approval of the Company’s Consolidated Financial Statements for the First Quarter of 2025. 2. Approval of proposed amendments to selected provisions of the “Audit Committee Charter” and “Audit Committee Meeting Rules and Procedures” to enhance corporate governance and strengthen risk management mechanisms, together with the adoption of the “Risk Management Policy and Procedures.” 3. Approval of the disposal of assets at the Company’s Qiaotou Plant. 4. Approval of the decommissioning of Hydrogen Plant No. 3 at the Toufen Plant, with authorization granted to the Chairman to execute the relevant sale agreement on behalf of the Company. 5. Approval of an additional budget allocation for the Toufen Plant Cogeneration Facility Decommissioning Project and the Gas Engine Self-Generation Power Plant Construction Project. 6. Approval of the disposal of the Company’s indirect shareholding in Changzhou Weicai New Material Science & Technology Co., Ltd. 7. Approval of the Company's Credit Facility Arrangements with Financial Institutions 8. Approval of the definition and scope of the Company’s entry-level employees. 9. Approval of amendments to selected provisions of the Company’s Internal Control System – Payroll Cycle. 10. Approval of the change of General Manager of the Company’s Mainland China subsidiary, Changzhou Weicai New Material Science & Technology Co., Ltd.

Type of Meeting	Meeting Date	Summary of Motion
		11. Approval of remuneration adjustments for the Company's appointed managerial officers.
Board of Directors	2025/6/27	1. Approval of amendments to the Company's "Internal Control System for the Shareholder Services Unit and Detailed Rules for Internal Audit Implementation." 2. Approval of partial amendments to the Company's "Related Party Transaction Management Regulations." 3. Approval of the proposed resale of idle film coating machine equipment and the recognition of the related loss. 4. Approval of an increase in collateralized property security equivalent to RMB 70 million in connection with the Company's endorsement and guarantee facility provided to its Mainland China subsidiary, Changzhou Weicai New Material Science & Technology Co., Ltd.
Board of Directors	2025/7/8	1. Approval of the minimum disposal price for ten parcels of land located in Cianjhen District, Kaohsiung City. 2. Approval confirming that the Company and Core Pacific Development Corp. have reached an agreement with the syndicated lending banks regarding amendments to certain terms of the syndicated loan, and have agreed to execute the Third Supplemental Agreement to the Syndicated Loan Agreement. 3. Approval of the Company's proposed cash capital increase of NT$ 21.5 billion in its significant subsidiary, Core Pacific Development Corp. 4. Approval for the Company to issue a Letter of Commitment for Continued Operations for Core Pacific Development Corporation as required for audit procedures conducted by KPMG. 5. Approval of the proposed capital reduction by cash return to be carried out by the Company's subsidiaries, CPDC Green Technology Corp. and Thanh Phong Construction Investment Co., Ltd. 6. Approval of the disposal of assets in the dormitory area of the Company's Toufen Plant. 7. Approval of the settlement terms related to contractual disputes with the storage tank contractor and the extension of the project schedule for the Company's "Kaohsiung Port Intercontinental Phase II Warehousing and Logistics Zone – Phase III Investment and Construction Project."
Board of Directors	2025/8/13	1. Approval of partial amendments to the Company's Internal Control System – Research and Development Cycle. 2. Approval of amendments to the Company's "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct," together with the adoption of an "Anti-Corruption and Anti-Bribery Policy." 3. Approval of partial amendments to the Company's "Schedule of Authorities and Responsibilities of the Board of Directors and Managerial Officers." 4. Approval of the Company's Consolidated Financial Statements for the Second Quarter of 2025. 5. Approval to recognize an asset impairment loss related to Weicai Company in the Company's self-prepared consolidated financial statements for the second quarter of 2025. 6. Approval to adjust the minimum disposal price of the Company's indirect shareholding in Changzhou Weicai New Material Science & Technology Co., Ltd.

Type of Meeting	Meeting Date	Summary of Motion
		7. Approval of a proposed capital reduction by cash return by the Company’s subsidiary, Tsou Seen Chemical Industries Corp. 8. Approval of the proposed dissolution and liquidation of the Company’s Vietnam subsidiary, Thanh Phong Construction Investment Co., Ltd. 9. Approval of the Company's Credit Facility Arrangements with Financial Institutions 10. Approval for CPDC Green Technology Corp. to continue undertaking the “Anshun Site 650,000-ton Contaminated Soil Remediation and Operation Project.” 11. Approval of the community engagement and neighborhood support fund allocation for the Anshun Site covering the period from 2025 to 2031. 12. Approval to prepare the Company’s 2024 Sustainability Report in accordance with the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.”
Board of Directors	2025/9/3	1. Approval of adjustments to the Company’s existing organizational structure and the implementation of a workforce streamlining plan for certain departments. 2. Approval of a change in the Company’s Internal Audit Officer. 3. Approval of the removal of the concurrent appointment held by the Senior Manager of the Joint Procurement Department under the Operation Management Division.
Board of Directors	2025/11/5	1. Approval confirming that the Company and Core Pacific Development Corp. have reached an agreement with the syndicated lending banks regarding amendments to certain terms of the syndicated loan, and have agreed to execute the Fourth Supplemental Agreement to the Syndicated Loan Agreement. 2. Approval of the Company’s endorsement and guarantee provided to its subsidiaries. 3. Approval of the Company's Credit Facility Arrangements with Financial Institutions 4. Approval of the resale of the Company’s Orient Golf Group Membership Certificate. 5. Approval of the resignation of the Company’s Chief Executive Officer (CEO). 6. Approval of the termination of appointment of three appointed managerial officers.
Board of Directors	2025/11/13	1. Approval to submit the Company’s 2026 Business Plan, and to prepare the Company’s 2026 Operating Budget accordingly. 2. Approval of the Company’s Consolidated Financial Statements for the Third Quarter of 2025. 3. Approval of the termination of issuance and delisting of the Company’s GDR. 4. Approval of the proposed decommissioning of the mothballed Caprolactam Line No. 2 at the Toufen Plant (including Hydrogen Plant 1, Hydrogen Plant 2), and the Nylon Chip Plant; and approval to cease production and place under preservation the o-Phenylphenol (OPP) Plant, together with corresponding workforce adjustments. 5. Approval for Lu Er Men Tianhou Temple to temporarily borrow vacant land within the Anshun Plant dormitory area for the purpose of hosting cultural activities. 6. Approval of the Company’s endorsement and guarantee provided to its subsidiaries.

Type of Meeting	Meeting Date	Summary of Motion
		7. Approval of partial amendments to the Company’s “Sustainable Development Best Practice Principles” and “Sustainability Report Preparation, Verification and Filing Procedures.” 8. Approval of partial amendments to the Company’s “Employee Compensation Distribution Guidelines.” 9. Approval of partial amendments to the Company’s “Remuneration System Management Policy.” 10. Approval of remuneration adjustments for the Toufen Plant Manager (Mr. Chen), Senior Manager of the Joint Procurement Department under the Operation Management Division (Mr. Jian), Internal Audit Officer (Mr. Liao), and Sales Manager of the Production and Marketing Business Division (Mr. Zeng).
Board of Directors	2025/12/11	1. Approval to conduct the second public tender sale of the Company’s land assets in the Cianjhen District, Kaohsiung. 2. Approval to proceed with the second public tender sale of assets at the Company’s Qiaotou Plant. 3. Approval of the merger between the Company and its wholly owned subsidiary, Tsou Seen Chemical Industries Corp. 4. Approval of the Company's Credit Facility Arrangements with Financial Institutions 5. Approval of the Company’s 2026 Internal Control Audit Plan. 6. Approval to establish the Company’s “Privacy Protection Policy” and “Customer Rights Protection Policy.” 7. Approval of amendments to the scope of the Company’s entry-level employees.
Board of Directors	2025/12/24	1. Approval to recognize an asset impairment loss in the fourth quarter of 2025. 2. Approval of the Company’s 2026 Operating Budget. 3. Approval of the Company's Credit Facility Arrangements with Financial Institutions 4. Approval for Lu Er Men Tianhou Temple to temporarily borrow vacant land within the Anshun Plant dormitory area during the 2026 Lunar New Year period for cultural activities. 5. Approval of an insurance claim application under the Company’s Directors, Supervisors, and Key Officers Liability Insurance policy. 6. Approval to implement organizational restructuring in accordance with Article 7 of the Company’s Organizational Regulations to meet operational development needs. 7. Approval of a position adjustment for the Company’s appointed managerial officer, Mr. Chen, in connection with the organizational restructuring. 8. Approval of position and remuneration adjustments for the Dashe Plant Manager and the Deputy Technical Section Manager of the Dashe Plant.
Board of Directors	2026/2/25	1. Approval of the Draft Agenda for the Company's 2026 Annual Shareholders' Meeting and Other Related Matters 2. Approval of the Procedures for Accepting Shareholder Proposals for the Company's 2026 Annual Shareholders' Meeting 3. Approval of the Company’s proposed cash capital increase of NT$650 million in its significant subsidiary, Core Pacific Development Corp. 4. The Company issued a Letter of Commitment for Continued Operations for Core Pacific Development Corporation as required for audit procedures conducted by KPMG.

Type of Meeting	Meeting Date	Summary of Motion
		5. The Company intends to apply for financing in collaboration with Core Pacific World Co., Ltd. 6. Approval of the retirement application and severance payment for Senior Manager Chien Chun of the Company's Management Division Joint Procurement Office. 7. The Company appointed two individuals, General Manager Mr. Chen and Production and Marketing Business Division Manager Mr. Tseng, to concurrently hold positions, with corresponding adjustments to their compensation. 8. Through the organizational restructuring of the Company’s Toufen Plant, the change of the plant manager, and the termination of the contract with Manager Chen, the severance payment has been approved. 9. The year-end performance bonus for 2025 was approved for Mr. Tsou Jun, Manager of the Production and Marketing Business Division of the Company, who concurrently serves as General Manager of Tsou Seen Chemical Industries Corp. 10. The amendment to the scope of entry-level employees for 2026 is hereby submitted for approval.
Board of Directors	2026/3/12	1. Approval of the Company's Stand-alone Financial Statement for Fiscal Year 2025 2. Approval of the Company's Earnings Distribution Proposal for Fiscal Year 2025 3. Through the provision of non-audit related services by the Company to the certified public accountants engaged for audit verification, additional service items have been submitted for inclusion in the "Pre-Approved Non-Assurance Services List." 4. The Independent Auditor's Independence Assessment and the Appointment of the Independent Auditor for Fiscal Year 2026 5. Approval of the Company's Business Report for 2025 6. Through the completion of the Company’s 2025 internal control system self-assessment (hereinafter referred to as the control self-assessment), the Internal Control System Statement draft has been prepared in accordance with the results of the internal control self-assessment. 7. Approval of the distribution of Directors' Remuneration for Fiscal Year 2025 8. Approval of the distribution of Employee Compensation for Fiscal Year 2025
Board of Directors	2026/3/30	1. To strengthen corporate governance and enhance the oversight of risk management, it is proposed to rename the Audit Committee as the "Audit and Risk Management Committee" and to amend certain provisions of the "Audit Committee Charter" and the "Audit Committee Meeting Procedures." 2. Approval of amendments to certain provisions of the Company’s Articles of Incorporation. 3. Approval of amendments to certain provisions of the Company’s "Operating Procedures for Making Endorsements/Guarantees and Lending of Funds" and "Regulations Governing the Acquisition and Disposal of Assets." 4. Approval of the Company’s equity acquisition in Its reinvested enterprises.

3. Major resolutions made by the general shareholders' meeting and the status of implementation of resolutions by shareholders' meetings in 2025

Summary of Motion	Implementation Status of Resolutions Made by Shareholders' Meetings
1. Approval of the 2024 Annual Business Report and Financial Statements.	The resolution has been passed.
2. Approval of the 2024 profit distribution plan.	The resolution has been passed.
3. Approval of amendments to certain provisions of the Company’s Articles of Incorporation.	The resolution has been passed.
4. Amendments were made to certain provisions of the Company’s "Regulations Governing the Acquisition and Disposal of Assets"	The resolution was approved and has been duly submitted to the Market Observation Post System (sii.twse.com.tw/Non-Format-File-Electronic-Data-Declaration/Shareholders-Meeting-Related-Data-Declaration) within 20 days in accordance with the law. The Company has also announced it on its website (https://www.cpdc.com.tw/).
5. Approval of the disposal of certain investment properties in Kaohsiung City.	The resolution has been passed.

(X) Major contents of any dissenting opinions on record or stated in a written statement made by Directors or Supervisors against major resolutions of the Directors’ Meeting in the most recent fiscal year and the current fiscal year up to the publication date of the annual report: None.

(XI) Impact of Change in Management Control on the Company, Associated Risks, and Countermeasures: None.

IV. CPA Fees

Unit: NT$ thousands

Name of CPA Firm	Name of CPA	Audit Period	Audit Fee	Non-Audit Fee	Total	Remark
KPMG	Wu, Cheng Yen Lee, Feng Hui	2025 fiscal year	9,690	1,481	11,171	The non-audit public expense items are the review of investment real estate appraisal report, the reading service of the annual report of the shareholders' meeting and the change registration service.
PwC	Ju-Feng Lin	2025 fiscal year		1,860	1,860	Non-audit public expense items include income tax services, transfer pricing reports, foreign labor tax refund services and related tax consulting fees.

V. Replacement of CPA: None.

VI. The Company's Chairman, General Manager, or Managers of Finance or Accounting Who Have Worked in the Firm of the CPA(s) or Its Affiliates within the Latest Fiscal Years: None.

VII. Changes in Transfer or Pledge of Shares Made by Directors, Managers, and Major Shareholders Holding More Than Ten Percent (10%) of the Company's Shares in the Most Recent Year and up to the Publishing Date of the Annual Report

Changes in Shareholding of Directors, Managers, and Major Shareholders

Title (Note 1)	Name	2025		Till the book closure date March 24, 2026	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	Core Pacific Co. Ltd.	0	3,750,000	0	0
Chairman Representative of Core Pacific Co. Ltd.	Ruey-Long Chen (Resigned as CEO on October 1, 2025)	0	0	0	0
Vice Chairman	Yao Chuen Co., Ltd.	0	0	0	0
Vice Chairman Representative of Yao Chuen Co., Ltd.	Hui-Ting Shen	0	0	0	0
Director	C.P. Leasing Co., Ltd.	0	0	0	0
Director Representative of C.P. Leasing Co., Ltd.	Kuen-Ming Lin	0	0	0	0
Director	BES Engineering Corp.	0	(28,700,000)	0	0
Representative of BES Engineering Corp.	Jiun-Nan Bai	0	0	0	0
Director	Jen Huei Enterprise Co., Ltd.	0	7,400,000	0	0
Director Representative of Jen Huei Enterprise Co., Ltd.	Shaw-Shin Yang	0	0	0	0
Independent Director	Lian-Sheng Tsai	0	0	0	0
Independent Director	Mei-Ling Chen (Resigned on October 1, 2025)	0	0	0	0
Independent Director	Chia-Yu Chiu	0	0	0	0
Independent Director	Yuan-San Lu	0	0	0	0

Title (Note 1)	Name	2025		Till the book closure date March 24, 2026	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
General Manager (Acting)	Ying-Chun Chen (Acting General Manager, Concurrent Accounting Manager and Financial Manager)	142,279	0	0	0
Special Assistant	Ching Lin (Retirement on April 1,2026)	0	0	0	0
Vice General Manager	Chien-Hsien Li	75,000	0	0	0
Associate	Linda Yang (Concurrent Corporate Governance Officer)	84,913	0	(42,000)	0
Associate	Tai-Chang Chen	0	0	0	0
Associate	Chia-Wei Tsai (Retirement on March 3, 2025)	0	0	0	0
Associate	Chiao-Pin Li	0	0	0	0
Plant Manager	Hung-Lung Chen (Dismissed on March 1,2026)	0	0	0	0
Plant Manager	Chi-Tsung Kao	0	0	(117,000)	0
Plant Manager	Tsung-Chien Wang	(17,000)	0	0	0
Plant Manager	Yung-Shan Chen	0	0	0	0
Senior Manager	Chin-I Li	(100,000)	0	0	0
Senior Manager	Chang-Hung Chien (Retirement on March 31,2026)	215,258	0	0	0
Senior Manager	Yen-Li Wang	0	0	0	0
Manager	Chao-Yuan Tsai (Position adjustment on March 17, 2025) (Dismissed on June 18,2025)	0	0	0	0
Manager	Yung-Lung Chen	0	0	0	0

Title (Note 1)	Name	2025		Till the book closure date March 24, 2026	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Manager	Chi-Chang Li (Dismissed on November 5, 2025)	0	0	0	0
Manager	Wen-Yuan Tseng	(83,000)	0	0	0
Manager	Chih-Wei Chang	0	0	0	0
Manager	Chih-Yuan Yang	75,295	0	0	0
Manager	Cheng-Lung Chang	0	0	0	0
Manager	Chih-Feng Wang (Dismissed on November 5, 2025)	0	0	0	0
Manager	Fang-Mo Chien	45,000	0	0	0
Manager	Kuan-Te Chien	0	0	0	0
Manager	Mu-Chuan Ho (Dismissed on November 5, 2025)	0	0	0	0
High Commissioner	Janson Yu (Retirement on December 5, 2025)	463,715	0	0	0
High Commissioner	Pei-Yu Yang	0	0	0	0
High Commissioner	Jung-Wen Cheng	190,317	0	0	0
High Commissioner	Wen-Chih Tsai	(72,000)	0	0	0
High Commissioner	Yi-Ping Yuan	0	0	0	0
High Commissioner	Chung-Min Huang (Appointed on March 17, 2025) (Dismissed on January 31, 2026)	0	0	0	0
Top Advisor	Ching-Jing Shen (Dismissed on January 1, 2025)	0	0	0	0

Note 1: Shareholders holding more than 10% of the total shares of the Company shall be identified as major shareholders and listed separately.

Note 2: The following table shall be completed if the party to whom the stock is transferred or pledged is a related party.

Equity Transfer Information

Name (Note 1)	Reason for Transfer (Note 2)	Transaction Date	Transferee	Relationship between trading counterpart and the Company, directors, supervisors, manager and shareholders who hold more than 10% of the Company's shares	Number of Shares	Transaction Price (NT$)
None						

Note 1: Please specify the names of directors, supervisors, managerial officers, and shareholders who hold more than 10% of the Company's shares.
Note 2: Please specify acquisition or disposal.

Equity Pledge Information

Name (Note 1)	Reasons for Change in Pledge (Note 2)	Date of Change	Transferee	Relationship between trading counterpart and the Company, directors, supervisors, manager and shareholders who hold more than 10% of the Company's shares	Number of Shares	Shareholding Ratio	Pledge Ratio	Pledged (Redeemed) Amount
None								

Note 1: Please specify the names of directors, supervisors, managerial officers, and shareholders who hold more than 10% of the Company's shares.
Note 2: Please specify pledge or redemption.

VIII. Relationship Between the Top 10 Major Shareholders

March 24, 2026

Name (Note1)	Personal Shareholding		Spouse & Minor Shareholding		Combined Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Kinship (Note 3)		Remark
	Number of Shares	Number of Shares	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Title (or name)	Relationship	
BES Engineering Corporation	183,037,540	4.84%	0	0	0	0	None	None	
Representative: Chih-Ming Chou	0	0%	0	0	0	0	None	None	
Chao-Shun Hong	84,044,000	2.22%	0	0	0	0	None	None	
Core Pacific Co., Ltd.	53,980,916	1.43%	0	0	0	0	None	None	
Representative: Hung-Chiao Chiang	40,450	0%	0	0	0	0	None	None	
Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	35,987,041	0.95%	0	0	0	0	None	None	
Representative: NA	-	-	-	-	-	-	None	None	
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	35,179,204	0.93%	0	0	0	0	None	None	
Representative: NA	-	-	-	-	-	-	None	None	
Core Pacific-Yamaichi International(H.K.) Limited-Client A/C	31,857,048	0.84%	0	0	0	0	None	None	
Representative: NA	-	-	-	-	-	-	None	None	
Polunin Developing Countries Fund, LLC	24,181,610	0.64%	0	0	0	0	None	None	
Representative: NA	-	-	-	-	-	-	None	None	
Jen Huei Enterprise Co., Ltd.	21,797,310	0.58%	0	0	0	0	None	None	
Representative: Yu-Kun Chen	12,007	0%	0	0	0	0	None	None	
Ming-Da Lin	21,500,000	0.57%	0	0	0	0	None	None	
Jian-Long Zhu	19,000,253	0.50%	0	0	0	0	None	None	

Note 1: Please separately identify the names of the top 10 shareholders and, where the shareholder is a corporation, separately list the names of the corporate shareholder and its representative.

Note 2: The calculation of shareholding ratio should separately indicate the percentage of shares held under the person's own identity, under spouse, minor children, and by nominee arrangement.

Note 3: The relationships between the shareholders listed above, including juristic persons and natural persons, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX. Combined Shareholding Ratio

Date: December 31, 2025　　Unit: Share; %

Reinvestment.	Investment of the Company		Investments of Directors and managers and directly or indirectly controlled businesses		Portfolio investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Kaohsiung Monomer Co., Ltd.	20,000,000	40%	0	0%	20,000,000	40%
Tsou Seen Chemical Industries Corporation	21,000,000	100%	0	0%	21,000,000	100%
CPDC Green Technology Corp.	10,000,000	100%	0	0%	10,000,000	100%
Core Pacific Development Corporation	4,207,500,000	100%	0	0%	4,207,500,000	100%
CPDC Investment (BVI) Co., Ltd.	26,580,000	100%	0	0%	26,580,000	100%
Unichem Development Limited	366,240,612	100%	0	0%	366,240,612	100%
Weiqiang International Trading (Shanghai) Co., Ltd.	20,000,000	44.52%	24,920,000	55.48%	44,920,000	100%
Jiangsu Weiming New Material Co., Ltd.	6,000,000	0.31%	1,915,000,000	99.69%	1,921,000,000	100%
Thanh Phong Construction Investment Co. Ltd.	1,637,500,000	100%	0	0%	1,637,500,000	100%
Chung Kung Safeguarding & Security Corp.	1,440,000	24%	0	0%	1,440,000	24%
Jean Pacific Development Co., Ltd.	62,000,000	40%	0	0%	62,000,000	40%
BES Engineering Corp.	172,615,175	10.74%	0	0%	172,615,175	10.74%
Frontier Fortune Investment Pte. Ltd.	19,375,945	100%	0	0%	19,375,945	100%

Note: Long term investments accounted for using the equity method.

Chapter 3 Capital Overview

I. Capital Stock and Shares

(I) Sources of Capital Stock

Year and Month	Issuing Price	Authorized Capital Stock		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital Stock	Offset by any property other than cash	Others
1969/04	100	8,000,000	800,000,000	8,000,000	800,000,000	Fund raising in cash	None	
1980/05	100	25,000,000	2,500,000,000	25,000,000	2,500,000,000	Capital increase in cash	None	
1983/02	10	800,000,000	8,000,000,000	630,140,000	6,301,400,000	Capital increase in cash Capital increase upon consolidation	None	
1983/11	10	800,000,000	8,000,000,000	748,724,700	7,487,247,000	Capital increase in cash Capital increase upon consolidation	None	
1984/02	10	890,000,000	8,900,000,000	823,058,900	8,230,589,000	Capital increase upon consolidation	None	
1985/10	10	890,000,000	8,900,000,000	846,878,900	8,468,789,000	Capital increase in cash	None	
1986/07	10	890,000,000	8,900,000,000	856,878,900	8,568,789,000	Capital increase in cash	None	
1991/05	10	1,100,000,000	11,000,000,000	959,704,400	9,597,044,000	Capital surplus	None	
1997/08	10	1,362,900,000	13,629,000,000	1,115,731,588	11,157,315,880	Capital surplus Recapitalization of earnings	None	
1998/08	10	1,840,000,000	18,400,000,000	1,283,091,327	12,830,913,270	Capital surplus Recapitalization of earnings	None	
1999/02	10	1,840,000,000	18,400,000,000	1,283,869,156	12,838,691,560	Convertible Convertible corporate bonds	None	
1999/09	10	1,840,000,000	18,400,000,000	1,412,256,072	14,122,560,720	Capital surplus Recapitalization of earnings	None	SEC (88) Tai-Tsai-Cheng (1) No. 63778 dated July 12, 1999
2000/08	10	1,840,000,000	18,400,000,000	1,482,868,876	14,828,688,760	Capital surplus	None	SEC (89) Tai-Tsai-Cheng (1) No. 52477 dated June 17, 2000
2002/12	10	1,840,000,000	18,400,000,000	1,482,943,830	14,829,438,300	Convertible Convertible corporate bonds	None	
2004/02	10	2,600,000,000	26,000,000,000	1,689,999,459	16,899,994,590	Convertible Convertible corporate bonds	None	

Year and Month	Issuing Price	Authorized Capital Stock		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital Stock	Offset by any property other than cash	Others
2008/11	10	2,600,000,000	26,000,000,000	1,794,962,992	17,949,629,920	Recapitalization of earnings	None	FSC approval letter under Ching-Kuan-Cheng Yi-Tze No. 0970049317 dated September 17, 2008
2011/09	10	2,600,000,000	26,000,000,000	1,974,459,291	19,744,592,910	Recapitalization of earnings	None	FSC approval letter under Ching-Kuan-Cheng Fa-Tze No. 1000031761 dated July 8, 2011
2012/12	10	2,600,000,000	26,000,000,000	2,319,989,666	23,199,896,660	Recapitalization of earnings	None	FSC approval letter under Ching-Kuan-Cheng Fa-Tze No. 1010046102 dated October 15, 2012
2017/05	10	2,600,000,000	26,000,000,000	2,355,258,954	23,552,589,540	Convertible Convertible corporate bonds	None	FSC approval letter under Ching-Kuan-Cheng Fa-Tze No. 1030024514 dated July 4, 2014, Ching-Kuan-Cheng Fa-Tze No. 1030038233 dated September 17, 2014 and Ching-Kuan-Cheng Fa-Tze No. 1030049064 dated December 1, 2014 (Conversion price: NT$10.80 per share)
2017/08	10	2,600,000,000	26,000,000,000	2,363,353,546	23,633,535,460	Convertible Convertible corporate bonds	None	
2017/11	10	2,600,000,000	26,000,000,000	2,524,667,174	25,246,671,740	Convertible Convertible corporate bonds	None	
2018/03	10	3,600,000,000	36,000,000,000	2,699,857,267	26,998,572,670	Convertible Convertible corporate bonds	None	
2019/07	10	3,600,000,000	36,000,000,000	2,834,850,130	28,348,501,300	Recapitalization of earnings	None	Financial Supervisory Commission May 30, 2019, reporting effective. Ministry of Economic Affairs approval letter under Ching-Shou-Shang-Tze No. 10801093580 dated July 23, 2019
2020/02	10	3,600,000,000	36,000,000,000	3,284,850,130	32,848,501,300	GDR	None	FSC approval letter under Ching-Kuan-Cheng Fa-Tze No. 1080335763 dated November 20, 2019 and Ministry of

Year and Month	Issuing Price	Authorized Capital Stock		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital Stock	Offset by any property other than cash	Others
								Economic Affairs approval letter under Ching-Shou-Shang-Tze No. 10901015330 dated February 24, 2020 (Conversion price: NT$8.64 per share)
2022/01	10	4,500,000,000	45,000,000,000	3,784,850,130	37,848,501,300	Capital increase in cash	None	FSC approval letter under Ching-Kuan-Cheng Fa-Tze No. 1100370634 dated November 5, 2021 and Ministry of Economic Affairs approval letter under Ching-Shou-Shang-Tze No. 11001243600 dated January 6, 2022 (Conversion price: NT$11.75 per share)

Note 1: Please specify the information for the current year available until the date of the publication of the annual report.
Note 2: The capital increase part shall be identified by effective (approval) date and document No. additionally.
Note 3: The stock issued at the price less than the par value shall be identified prominently.
Note 4: Please specify the offset by monetary creditor's rights and technology, if any, and note the type and amount of offset.
Note 5: The private placement, if any, shall be identified prominently.

Type of Shares	Authorized Capital Stock			Remark
	Outstanding Shares	Unissued Shares	Total	
Common Stock	3,784,850,130	715,149,870	4,500,000,000	

Note: Please specify whether the stock refers to TWSE or GTSM stock (the stock forbidden from being traded in TWSE or GTSM, if any, shall be identified).

Information about Shelf Registration System

Type of Securities	Estimated Amount of Issuance		Amount Issued		Purpose and Expected Benefits of the Amount Issued	Scheduled Issuance Period for the Unissued	Remark
	Total	Amount	Number of	Price			
None							

(II) Roster of Major Shareholders

March 24, 2026

Name of Major Shareholder / Shares	Status of Shareholding	Ratio of Shareholding
BES Engineering Corporation	183,037,540	4.84%
Chao-Shun Hong	84,044,000	2.22%
Core Pacific Co., Ltd.	53,980,916	1.43%
Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	35,987,041	0.95%
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	35,179,204	0.93%
Core Pacific-Yamaichi International(H.K.) Limited-Client A/C	31,857,048	0.84%
Polunin Developing Countries Fund, LLC	24,181,610	0.64%
Jen Huei Enterprise Co., Ltd.	21,797,310	0.58%
Ming-Da Lin	21,500,000	0.57%
Jian-Long Zhu	19,000,253	0.50%

(III) Dividend Policy and the Status of Implementation

1. Dividend policy in the Articles of Incorporation:

The Company may duly use its reserve to distribute dividends, appropriate capital, and issue new shares in accordance with relevant laws and regulations.

If the Company has earnings, after payment of taxation, it shall offset the special reserve in accordance with relevant laws and regulations or requested by the authorities in charge. With respect to any balance herein together with the undistributed, the Board of Directors shall prepare an earnings distribution proposal and submit to the shareholder meeting for approval according to the following dividend policy.

The Company is in a highly capital-intensive industry, subject to volatility and high levels of competition. Where the Company is subject to the influence of the global economy and changes in industrial performance, the Company should take into account the Company's business operations, capital needs and status of the competitive environment, interests of shareholders and the Company's own financial planning in the allotment of its profits. Under such circumstances, the Company may set aside profits into a special reserve either in whole or in part to assure financial stability and sustainability. The Company may allot dividends in cash dividend or stock dividend. In the case that the allotment is made by way of stock dividend, the ratio for the stock dividend shall not exceed 50% of the total dividend distribution unless the ratio of the Company's total liabilities to total assets is equivalent or above 50% or otherwise prescribed in relevant laws and regulations.

2. Allocation of dividends proposed at the shareholders' meeting:

The undistributed earnings at the end of 2025 was NT$0. No allocation of dividends is proposed.

Currency Unit: NT$

Item	Amounts
Beginning of undistributed earnings	**0**
Plus (Subtract):	
Adjustments due to remeasurement of defined benefit plans	(21,227,494)
The special surplus reserve from the sale of investment properties has been transferred to retained earnings	3,800,534,790
Disposal of equity instruments measured at fair value through other comprehensive income	9,197,808
2025 Net loss after tax	(2,966,374,803)
Earnings available for distribution	822,130,301
Subtract:	
The net increase in the fair value measurement of investment properties subsequent to the adoption of fair value method is allocated to the special surplus reserve (Note 2)	(822,130,301)
End of period undistributed earnings	**0**

Note 1: The subsequent measurement of investment properties will be based on the fair value model, with the net increase recorded as a special surplus reserve. Please refer to the "Capital and Other Equity" section in the Notes to the 2025 Stand-alone Financial Statement.

Note 2: Due to insufficient earnings in previous years, the net increase in the fair value model for the subsequent measurement of investment properties was insufficient. The shortfall in the provision will be made up in the current fiscal year.

(IV) Effect of allocation of Free-Gratis Dividends proposed at the shareholders' meeting on the operational performance of the Company and the Earnings Per Share: Not applicable as no gratis allotment of shares on distribution of earnings is proposed at the shareholders' meeting.

(V) Employee bonus and remuneration to directors/supervisors:

1. Proportion or scope of employee bonus and remuneration to directors as stated in the Company's Articles of Incorporation Article 32:

If the Company has earnings, it shall set aside 3% of the balance as remuneration to the employees (one percent of the total employee remuneration in this item shall be allocated as compensation for frontline employees.) and no greater than 2% of the balance as remuneration to directors. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.

The above remuneration to the employees may be allotted in cash dividend or stock dividend, eligible personnel include employees at subsidiaries that meet the requirement by the Board. The above remuneration to the directors shall be in cash.

The earnings in paragraph one means net profit before tax before deduction of the remuneration to employees and directors.

Distribution of the employees' and directors' remuneration shall be resolved at board meetings, with over two-third of directors in attendance and approved by over half of the attending directors, and reported to the shareholder's meeting.

2. The accounting in the case of deviation from the basis for stating employees bonus and remuneration to directors, the basis for calculating the number of stock dividends to be allocated, and the actual allocation:

   The 2025 remuneration of employee is estimated by a net profit before tax before minus the remuneration to directors and employee, if the estimates differ from the resolved remuneration on the day of the shareholders meeting, the shareholder's meeting shall refer to the new amount, and the amount adjusted in the year of the shareholders' meeting.

3. Information about the allocation of bonus resolved by the Directors' Meeting:

   (1) The 2025 remuneration of employee and directors was ratified by the Board on March 12, 2026. Allocation of remuneration is as below:

   In accordance with the Company's Articles of Incorporation, if the annual results show a profit, 3% of the profit shall be allocated for employee remuneration. For the year 2025, the allocable amount was NT$0; therefore, no employee remuneration (including for frontline staff) was distributed. Director remuneration shall not exceed 2% of the profit. For the year 2025, the allocable amount was NT$0, and the distributable amount was NT$0.

   (2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of profit after tax stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration: N/A.

4. The actual allocation of employee bonus and remuneration to directors in the previous year (including the number, amount and stock price of allocated shares), the deviation between the actual allocation and the estimated figures, if any, and cause and treatment thereof: The director remuneration and employee remuneration of the previous year are the same as the proposed distribution approved by the Board of Directors.

(VI) Repurchase of the Company's shares

As of the printing date of the annual report, the Company did not repurchase any shares.

II. Issuance of Corporate Bonds: None

III. Issuance of Preferred Shares: None.

IV. Status of Participation in Issuance of "Global Depository Receipts (GDRs)": None.

V. Status of Employee Stock Option: None.

VI. Restriction on Employee Share Subscription Warrant: None.

(I) Mergers and Acquisitions, or as Assignee of New Shares Issued by Another Company:

Mergers or acquisitions involving issuance of new shares completed in the most recent fiscal year and up to the date of publication of the annual report:

On December 11, 2025, the Board of Directors of the Company resolved to merge with its wholly-owned subsidiary, Tsou Seen Chemical Industries Corporation, with the Company as the surviving entity. The original merger base date was February 1, 2026. On January 29, 2026, the merger base date was changed to April 1, 2026. As the procedures are still in progress, the merger base date has been postponed again on March 23, 2026. The actual merger base date will be determined and announced separately according to the relevant work progress and actual circumstances. Tsou Seen Chemical Industries Corporation is currently applying for merger and dissolution registration.

On March 30, 2026, the Board of Directors of the Company resolved to acquire the 60% equity interest in Kaohsiung Monomer Co., Ltd. (hereinafter "KMC") held by Lucite International Alpha B.V. for a total consideration of NT$ 1. Upon completion of the transaction, KMC will become a wholly-owned subsidiary of the Company. The transaction is scheduled to close on August 3, 2026; however, the actual completion date remains subject to the approval of the authorities.

(II) Mergers or acquisitions involving issuance of new shares approved by the Board of Directors in the most recent fiscal year and up to the date of publication of the annual report, including the status of execution and basic information of the acquired or merged company: The basic information of Tsou Seen Chemical Industries Corporation and Kaohsiung Monomer Co., Ltd. as of December 31, 2025 is as follows:

Unit: NT$ thousands

Company name		Tsou Seen Chemical Industries Corporation
Company address		No. 1, Jingjin Road, Tunghai Village, Fanliao Township, Pingtung County
Responsible person		Chien-Hsien Li
Paid-in capital		210,000
Main business items		The storage, transportation, purchase, and selling of fertilizer.
Main products		Ammonium sulfate (AS)
Financial information for the most recent fiscal year	Total assets	826,613
	Total liabilities	227,384
	Total shareholders’ equity	826,613
	Operating revenue	796,531
	Gross operating profit	219,641
	Income or loss	29,891
	Profit/loss for the current period	(68,264)
	Earnings per share	(3.25)

Unit: NT$ thousands

Company name		Kaohsiung Monomer Co., Ltd.
Company address		No. 1, Hsing Kung Road, Ta She District, Kaohsiung 815, Taiwan
Responsible person		Ruey-Long Chen
Paid-in capital		500,000
Main business items		Production and sale of methyl methacrylate (MMA).
Main products		methyl methacrylate
Financial information for the most recent fiscal year	Total assets	2,509,838
	Total liabilities	1,095,078
	Total shareholders’ equity	1,414,760
	Operating revenue	3,723,089
	Gross operating profit	219,362
	Income or loss	2,713
	Profit/loss for the current period	21,141
	Earnings per share	0.42

VII. Implementation of Capital Utilization Plan

As of the quarter before the publishing date of the annual report, the content of plan and status of implementation of the previous issuance or private placement of securities that have not been complete, or those have been completed in the past three years but the expected benefits have not yet shown:

(I) The contents of the 2020 overseas depositary receipt plan:

1. Total funds required: Originally in RMB 1,176,000,000 (equivalent to USD 177,002,000), on 27 September, 2023, the fund utilization plan and the progress were revised, and the total amount of funds required was reduced to USD 129,240,000.
2. Source of funds: Issuance of overseas depository receipts.
3. Project and the progress: Investment plan for reinvesting in Jiangsu Weiming Plant and foreign currency purchasing materials.

(II)Implementation of funds:

Unit: NT $thousands

Project	Status of implementation		The 1st quarter of 2026		As of the 1st quarter of 2026		Reasons for progress ahead or behind and improvement plan
			USD	Equivalent to NT$ (Note 1)	USD	Equivalent to NT$ (Note 1)	
Reinvesting in the China subsidiary-Jiangsu Weiming	Amount of expense	Expected	0	0	99,984	3,149,493	The revised plan was fully implemented in the fourth quarter of 2023.
		Actual	0	0	99,984	3,149,493	
	Execution progress (%)	Expected	0%	0%	100%	100%	
		Actual	0%	0%	100%	100%	
Foreign currency purchase materials	Amount of expense	Expected	0	0	29,256	921,564	
		Actual	0	0	29,256	921,564	
	Execution progress (%)	Expected	0%	0%	100%	100%	
		Actual	0%	0%	100%	100%	
Total	Amount of expense	Expected	0	0	129,240	4,071,057	
		Actual	0	0	129,240	4,071,057	
	Execution progress (%)	Expected	0%	0%	100%	100%	
		Actual	0%	0%	100%	100%	

Note 1: The exchange rate of the US$ to NT$ is calculated as US$1 against NT$31.5; the investment funds of the China subsidiary are denominated in RMB, and the exchange rate of USD to RMB is calculated at the exchange rate at the time of exchange.

Chapter 4 Operational Highlights

I. Business Activities

(I) Business Scope

1. Major Lines of Business

(1) Manufacture of petroleum, alkali chloride, phosphoric acid and other related chemicals and derivatives.

(2) Import and export business including storage, transportation, procurement, and sales of the preceding products and their raw materials, chemicals, and chemical materials.

(3) Business related to the procurement and sales of the preceding items and import and export trade of general commodities.

(4) Provision of technical services related to preceding products (by-products), processes, and equipment operation.

(5) Research and development of chemical products.

(6) Trading, classification and distribution of goods (apparel, electrical, books and stationery, automobile and motorcycle products, housewares, entertainment and leisure facilities, etc.).

(7) Operation of restaurants and hotels.

(8) Computer software design, sales, and data registration business operation.

(9) Commissioning construction companies to build commercial buildings and residential buildings for lease and sale, and commissioning construction companies to build factories and warehouses on general industrial land for lease and sale, and commissioning government industrial authorities to develop, lease, sell and manage industrial zones.

(10) Operations of the recreation area and golf range (less than five holes).

(11) Investment in the construction of parking lots within the scope of urban planning.

(12) Operation of gas stations and sales of gasoline and diesel, liquefied petroleum gas, and lubrication and simple maintenance of automobiles.

(13) Operation of new power plants.

(14) Undertaking of environmental protection projects (removal, disposal and engineering of general wastes, general industrial wastes and hazardous industrial wastes).

(15) Import, export and sales of feeds and feed additives.

(16) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. The Relative Weights of Business

Currently, the major products of the Company are acrylonitrile (AN), caprolactam (CPL), nylon chips (NY6 or PA6), and o-phenylphenol (OPP). Other products include electricity, hydrogen cyanide (HCN); ammonium sulfate (AS), industrial sulfuric acid, and refined sulfuric acid. The sales proportion of each product in 2025 is as follows:

Product Type	Sales Proportion (%)
Acrylonitrile (AN) and by-products	40.14%
Caprolactam (CPL) and by-products	46.81%
O-phenylphenol (OPP)	0.77%
Others	12.28%

3. Current Products

Current products include acrylonitrile (AN), caprolactam (CPL), nylon chips (NY6 or PA6), ammonium sulfate (AS), sulfuric acid (including refined sulfuric acid), hydrogen cyanide (HCN), electricity, and engineering plastic products for compounding and modified engineering plastics.

4. New products to be developed

R&D technologies driven by in-house innovation and systematic integration encompass products related to battery safety additives, high-frequency low-dielectric resins, and microfluidics hydrogenation technologies. The Company continues to introduce novel molecular designs while concurrently evaluating high value-added products with strong market potential. It is also developing application-oriented products aligned with industry entry opportunities, and advancing product development in emerging fields such as renewable energy materials and semiconductor communication materials.

(II) Industry Overview

1. Industry Status and Development

(1) Acrylonitrile (AN or ACN)

There are only two AN manufacturers in Taiwan, CPDC and Formosa Plastics Corporation (Formosa Plastics). The Company has already expanded its production capacity in 2010, 2011 and 2019 respectively, with an annual capacity of 230,000 metric tons; Formosa Plastics has an annual capacity of 280,000 metric tons, while Formosa Plastics' AN output is mainly for internal use and downward integration production (ABS, AF).

Annual domestic AN production in Taiwan in 2025 was approximately 400,000 metric tons per year, the same as in 2024.

(2) Caprolactam (CPL)

The Company is currently the only CPL producer in Taiwan. By the end of 2025, Toufen Plant will be fully decommissioned, resulting in a reduction of annual production capacity to approximately 200,000 tons, with actual output estimated at around 100,000 tons. All produced CPL is supplied exclusively to the domestic Taiwanese market, with no exports, and the Company maintains an estimated 55% domestic market share. Taiwanese manufacturers have been widely impacted by intensified export competition from Mainland Chinese suppliers, as well as U.S. tariff policies. In the second half of 2025, PA6 export volumes declined by approximately two-thirds year-on-year. During 2025, profit margins for downstream spinning and polymerization operations in Taiwan continued to compress, resulting in a decline in domestic CPL consumption compared with 2024. Apparent demand is estimated at approximately 200,000 metric tons per year, representing a year-on-year decrease of roughly 30%.

Across Asia, demand for nylon continues to grow, with consumption increasingly concentrated in Mainland China. Since the significant capacity expansion initiatives launched in 2012, CPL production capacity in Mainland China has expanded substantially, reaching an estimated total capacity of approximately 8.33 million tons in 2025. Newly added capacity in 2025 is expected to increase by approximately 800,000 tons, representing an annual growth rate of about 8%. Looking ahead, global market conditions in 2025 are expected to remain volatile. Coupled with U.S. tariff measures and ongoing geopolitical trade disruptions, the overall CPL market environment is anticipated to face heightened operational challenges.

(3) Nylon Chips (NY6 or PA6)

In response to U.S. tariff policies and the ongoing restructuring of global supply chains, Taiwan's textile industry is increasingly shifting toward the development of high-end functional fabrics. Meanwhile, the Mainland China nylon market has transitioned from self-sufficiency to a net export position, intensifying competitive pressures. To address these market dynamics, the Company has adjusted its nylon chips sales strategy to balance domestic market stability with export optimization. In addition, the Company has refined its downstream customer portfolio, focusing on high value-added market segments in order to enhance overall operational resilience.

(4) O-phenylphenol (OPP)

Upon completion of the construction of the 2,000-ton pilot plant in 2016, the Company became the only OPP producer in Taiwan and the fourth largest producer in the world, and expects to increase production in China. This product is our vertically integrated special product project, using cyclohexanone as the main production raw material, the related catalyst technology and process design development are developed by our company. This product is mainly used for the production of flame retardants, optical materials and antiseptic and sterilization. Through the production and sales of OPP, CPDC visits the market to understand and grasp the segmentation of downstream products and different growth potential and put the OPP derivatives into production in the future to expand the specialty product chain and continue to explore the development potential of the company's specialty chemical new products.

(5) Engineering Plastic

The Company’s Qiaotou Plant commenced operations in November 2020, with a maximum annual production capacity of 9,000 tons. Leveraging its raw material advantages, the Company continues to strengthen the integration of upstream and downstream raw material supply chains while developing PA6 compounding and modification products. This initiative aligns with the rapid growth of new energy vehicle components, semiconductor electronic materials, and green sustainability trends. Moving forward, the Company aims to focus on the development of customized engineering plastic products, including PC composites, ABS composites, PP composites, PC alloy composites, as well as recycled PA6, PP, and ABS materials. By establishing a strong brand reputation, the Company seeks to promote plastic recycling and achieve long-term sustainability objectives.

2. Connectivity among upstream, midstream and downstream products

(1) Acrylonitrile (AN)

Acrylonitrile is made from propylene and liquid ammonia, which are used as the main raw materials for the ammoxidation with air and water vapor in a quantitative ratio. Propylene is mainly supplied by CPC Corporation, supplemented by a small amount of imports; liquid ammonia has to be imported in full. Its downstream applications are mainly for acrylic fiber and ABS plastic. Acrylic fiber, also known as Polyacrylonitrile fiber, is mainly used in apparel fabrics, wool, fleece, blankets, carpets, stuffed toys, etc. ABS plastic is used in suitcases, cosmetic containers, computers, cell phones, home appliances, and car parts.

(2) Caprolactam (CPL)

The main raw materials of caprolactam are benzene or phenol and liquid ammonia. Benzene is partly supplied by CPC Corporation and partly imported; phenol is supported by domestic or imported; liquid ammonia is all imported. Caprolactam is an important raw material for the production of nylon 6 fiber and resin. Nylon 6 fiber downstream products are divided into general textile fibers such as sports coats, lining, stockings, underwear, clothing, etc. and industrial fibers such as umbrella cloth, fishing line, fishnet, tire curtain cloth, handbag, household carpet, etc.

(3) Nylon Chips

Nylon chips are made from caprolactam and polymerized to form solid polymers for use in the downstream spinning and engineering plastics industries. The downstream applications are as described above. Product connections are as follows:

Benzene or Phenol → Caprolactam → Nylon Chips

↗ Nylon threads → Downstream Processing

↘ Compounding and Modification → Engineering Plastics

3. Development Trend and Competition of Major Products

(1) Acrylonitrile (AN)

Favorable factors:

1) Nitrile Butadiene Rubber (NBR): The Company exited the Mainland China market in 2025 and expects to prioritize export sales to Europe, North America, and Southeast Asia beginning in 2026. This strategic shift is intended to avoid being drawn into aggressive price competition in the Mainland China domestic market driven by the spillover effects of U.S. tariff policies.

2) Acrylamide (AM): The demand for wastewater treatment and secondary oil extraction is increasing, and the demand for AM is expected to grow, which is conducive to AN production and price support.

3) ABS Plastics: Weak demand in the Mainland China market has led to a weakening of AN production demand and price support. However, demand in some developing countries in Southeast Asia remains stable, and the Company has regional advantages in this region, and demand remains stable.

Unfavorable factors:

1) AF: In 2026, AF demand was expected to remain steady or slightly increase due to the global economic recovery. However, Polyester (polyester fiber) continues to be replaced by a small portion, which will slightly affect AN production and price stability.

2) Mainland China still continues to expand its new production capacity, resulting in the balance of supply and demand and price disruptions in the AN industry.

3) Mainland protection policies (e.g. tariff protection) also affected the operations of Asian AN manufacturers.

4) The value-added tax in China has been lowered to 13% since April 2019, which means that there will be no tariff barriers for exports from mainland competitors in the future and competition for export has intensified.

Countermeasures for unfavorable factors:

The Company has been developing the NBR (Latex) and AM acrylamide markets, which are currently experiencing rapid growth in demand, and expanding into South Asia, India, the Middle East and other export regions to reduce dependence on the mainland market for export sales.

(2) CPL

Favorable factors:

1) Contraction in Overseas Supply: Due to intensified low-price competition from Mainland China, CPL producers in Europe, North America, and Thailand have gradually reduced operating rates or suspended production. As a result, overseas supply capacity continues to contract, easing overall market supply pressure.
2) Medium Term Improvement in Supply-Demand Dynamics: There are currently no confirmed plans for significant new CPL capacity additions in Mainland China during 2026–2028. Combined with ongoing capacity rationalization in overseas markets, the overall supply–demand structure is expected to improve, supporting market stabilization and price recovery.

Unfavorable factors:

1) CPL production capacity in mainland China has expanded significantly since 2013. With CPL producers actively expanding their market share, oversupply, price competition and unstable profitability will continue.
2) U.S. tariff policies have reshaped global trade flows, prompting customers to diversify their supply sources in order to mitigate risk. At the same time, shifts in logistics routes have increased transportation costs, further compressing profit margins.

Countermeasures for unfavorable factors:

1) Strengthen long-term partnerships with key domestic CPL customers to stabilize shipment volumes and mitigate risks arising from market volatility. Inventory levels and production–sales pacing are managed prudently to avoid excessive inventory exposure during periods of price downturns.
2) Flexibly adjusts shipment and delivery strategies to reduce the impact of rising logistics costs, while enhancing price and lead-time negotiation mechanisms to ensure operational stability and maintain sustainable profitability. .

(3) Nylon Chips

Favorable factors:

1) Due to the impact of U.S. reciprocal tariffs and other punitive trade measures, export demand for apparel and textiles from Mainland China has weakened significantly. As a result, overall PA6 operating rates have declined from approximately 85% to 75%, intensifying market competition. The industry is currently undergoing a consolidation and restructuring phase.
2) Anti-dumping investigations targeting nylon products in markets such as India, the European Union, and Brazil are expected to adversely affect export volumes from Mainland Chinese filament producers. Against this backdrop, the Company’s high-end product portfolio may benefit from potential order shifts, creating incremental revenue and profit opportunities.

Unfavorable factors:

1) The United States' promotion of a reciprocal tariff policy poses a downside risk to the global economic outlook. The future direction of tariffs is highly

uncertain, which suppresses terminal market demand. This trend may further affect the overall price and profit margin of the nylon industry.

2) Nearly 55% of Taiwan's nylon downstream industry is concentrated in apparel and industrial textile fibers, and export sales are overly concentrated in the mainland market, making it vulnerable to the influence of a single industry and market.

Countermeasures for unfavorable factors:

In response to the uncertainties surrounding U.S. tariff policies and a slowdown in global demand growth, the Company's core strategy is centered on risk diversification and prudent operations. Efforts continue to optimize the product portfolio and increase the proportion of high value-added products, thereby reducing dependence on specific industries and regions. At the same time, the Company enhances market responsiveness by flexibly adjusting sales deployment and cost structures, ensuring operational stability amid industry fluctuations.

(4) O-phenylphenol (OPP)

Favorable factors:

1) As the world's fourth largest producer and the only local supplier in Taiwan, most of our downstream demand is concentrated in Asia, making it convenient to take advantage of the geographical location to accelerate the promotion of neighboring phenols.

2) By implementing new catalyst and purification technologies, alongside energy-saving measures and process optimization, the Company has effectively reduced emissions of the three major industrial wastes, while significantly enhancing product quality and overall production efficiency.

Unfavorable factors:

1) The OPP application market is relatively concentrated, primarily serving specific industrial uses, with demand highly dependent on the business cycles of downstream industries. Overall demand exhibits limited elasticity. OPP is considered a mature product, and its end-use applications lack significant new growth drivers at scale, providing relatively limited support for long-term demand growth.

2) It is estimated that Mainland China's new production capacity will reach 4,000 tons by 2026. However, the rapid pace of capacity expansion, coupled with sluggish downstream application demand due to the slow recovery of the Mainland market and ongoing geopolitical shifts, continues to present substantial market challenges.

Countermeasures for unfavorable factors:

In response to the supply–demand pressure arising from the rapid addition of new capacity in Mainland China in 2026, the Company will adopt flexible pricing and region-based sales strategies, leveraging proximity and local supply advantages in Asian markets to mitigate reliance on a single market. At the same time, production capacity and inventory levels will be adjusted on a rolling basis to prevent excessive inventory buildup, reduce quality risks associated with prolonged storage, and ensure smooth cash flow and capital turnover.

4. Domestic Market Share of Major Products

In 2025, the domestic market share of caprolactam was about 55%, the domestic market share of acrylonitrile was about 40%, the domestic market share of nylon chips was about 70%, and the domestic market share of o-phenylphenol was about 90%.

(III) Technology and R&D Overview

1. The R&D expenditures invested in 2025 were NT$233,070 thousand; the R&D expenditures invested in 2025 were NT$24,402 thousand for the year ended March 31.

2. Major R&D Outcomes for the Year

The R&D department continues to optimize existing product manufacturing processes, introducing intelligent production management to improve production efficiency, reduce costs, and focus on the development of energy-saving and carbon-reducing green processes. Building on existing processes, the Company promotes the development of related products and their derivatives, fully utilizing the advantages of raw materials to further strengthen the integration of the upstream and downstream raw material supply chains.

In terms of new product development, a dedicated project development team has been established, focusing on high-value products with market growth potential, such as lithium battery safety additives, solid electrolytes, 5G high-frequency substrate materials, optical application monomers, specialty chemicals, new energy, and low dielectric materials. By gathering market intelligence and evaluating existing technology developments, the Company identifies market entry advantages, develops its core technologies, and continuously invests in the research and development of high-value-added products. This expands the sales scope of high-value products and further enhances the Company's industrial chain.

3. Current Patent Status

In 2025, the Company was granted 3 new patents and completed the licensing procedures. The patent applications not only focus on the improvement of the Company's existing processes, but also on the technological protection and development of special chemical products planned for the future.

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

The Company recognizes that its response and management approach to environmental, social and corporate governance issues are also important performance indicators. In the face of the rapidly changing business environment in the future, the Company will adhere to the concept of respecting the natural ecology, strive to realize a green petrochemical enterprise, reduce its environmental footprint, improve its ESG performance and attract green and sustainable capital injection.

The Company will continue to advance its dual-pronged development strategy, focusing on the "Petrochemical Business" and "Land Development" segments. In alignment with both short-term and medium- to long-term targets, the Company has formulated the following plans:

1. Short-Term Enhancement Plan

Focus on improving operational efficiency and financial strength through initiatives such as optimizing the product portfolio and capacity allocation, strengthening cost control and operational flexibility, activating assets to reduce leverage, implementing a Smart Decision-Making Platform, and enhancing corporate governance and ESG oversight mechanisms.

2. Medium- to Long-Term Enhancement Plan

In response to industry transformation and global sustainability trends, the Company will implement a range of medium- to long-term initiatives, including accelerating the development and high-value utilization of new products and technologies, activating land assets, and advancing carbon management and energy-saving strategies to steadily progress toward the 2050 Net Zero Carbon Emissions Goal.

Looking ahead, the Company will continue to monitor internal and external risks as well as the effectiveness of resource allocation, and adjust strategic initiatives on a rolling basis. Through a prudent and steady approach, the Company aims to respond effectively to global trends and stakeholder expectations, ensuring the dual objectives of sustainable operations and long-term corporate value creation.

II. Market and Sales Overview

(I) Market Analysis of Major Products

[Acrylonitrile (AN)]

On the demand side, due to the recovery after the global epidemic, we are cautious and conservative about the ABS market in 2026, and estimate that the demand will grow by 2~3% in 2026 compared to 2025; In 2026, downstream demand (ABS/AF/AM and NBR) is estimated to remain the same or grow slightly, and the overall AN demand growth rate is about 2~3%.

On the supply side, the new production capacity from 2025 to 2026 in China is 390,000 tons, representing a 7% increase. The AN industry is still oversupplied in the short term.

The Company continues to complete the AN debottlenecking project operation test, so far the production capacity has reached about 230,000 tons, which is favorable to enhance the domestic market share in Taiwan; overall considering the supply and demand situation, it is estimated that the operating rate of AN plants in Asia in 2026 will be slightly adjusted, and the production rate is approximately above 90%.

[Caprolactam (CPL)]

The Company's 2025 CPL production capacity was 200,000 tons/year, mainly for domestic nylon polymerizers in Taiwan, which in turn sell nylon chips and nylon threads to the nylon end market.

In recent years, Mainland China has designated nylon as a key industry and continues to expand CPL production capacity. In 2025, approximately 800,000 tons of new capacity were added, primarily from producers such as Hengyi in Guangxi and Shenma.

Despite the ongoing capacity expansion, Mainland China's CPL self-sufficiency has significantly increased. However, due to quality differences and specific processing requirements, a portion of raw materials still needs to be imported. Since 2016, the Company has flexibly adjusted production according to profitability, and it is estimated that the Company can satisfy approximately 55–65% of Taiwan's CPL demand.

Furthermore, to protect its domestic nylon industry, Mainland China continues to impose anti-dumping duties and high tariffs on imported CPL and nylon resin, while offering export tax rebates to enhance export competitiveness. These measures have intensified market competition.

[Nylon Chips]

In response to intensifying competition in the nylon market and shifting regional demand structures, the Company has adopted a sales strategy focused on stabilizing domestic sales, actively expanding high value-added export markets, and optimizing both product and customer portfolios. For domestic sales, the Company continues to deepen partnerships with key downstream filament customers, including Chain Yarn, Zig Sheng, and Acelon, to maintain production–sales balance. Long-term contracts and fixed shipment volumes are employed to enhance order stability. For export sales, in light of rising competition in Southeast Asia and India, the Company will gradually shift its sales focus to strengthen its presence in high value-added markets in Europe and North America, thereby improving overall gross margin structure.

At the same time, the Company adopts flexible pricing and shipment strategies based on key customers' production lines and inventory levels. This approach balances market share retention with profitability control, ensuring sustainable sales momentum while managing risk.

[O-phenylphenol (OPP)]

In 2025, global trade flows were significantly restructured due to political and geopolitical factors, leading to heightened market uncertainty. Downstream customers adopted more conservative procurement strategies. While overall demand remained relatively stable, the market continued to experience oversupply due to new capacity additions, putting pressure on prices and increasing the need for production, sales, and inventory adjustments.

Looking ahead to 2026, the market is expected to continue the trends observed in the second half of 2025. U.S.–China trade tensions are likely to persist, and new capacity in Mainland China continues to be brought online. If raw material prices remain unsupported and downstream demand does not show clear recovery, the market may continue to consolidate at low levels. Although certain applications, such as optical products in Japan, may see growth driven by AI development, overall demand remains highly concentrated in the Mainland China market, necessitating careful management of single-market risk.

[Engineering Plastics]

Downstream demand for nylon-modified plastics is primarily concentrated in automotive, electronics, and consumer product applications. Leveraging its advantage as a PA6 raw material supplier, the Company promotes vertical integration across the upstream and downstream value chain, with PA6 reinforced products positioned as the core sales offering. In response to trends toward non-China supply chain diversification, the Company will gradually streamline its product lines in the Taiwan market, focusing on high-quality, high value-added products to enhance overall operational efficiency. At the same time, inventory levels will be carefully managed to accelerate cash conversion and mitigate operational risks.

(II) Important Applications and Production Processes of Major Products

1. Acrylonitrile (AN)

(1) Acrylonitrile (AN) is mainly used as a raw material for the production of acrylic fiber (polyacrylonitrile fiber) and ABS plastic, and its main downstream products are as follows:

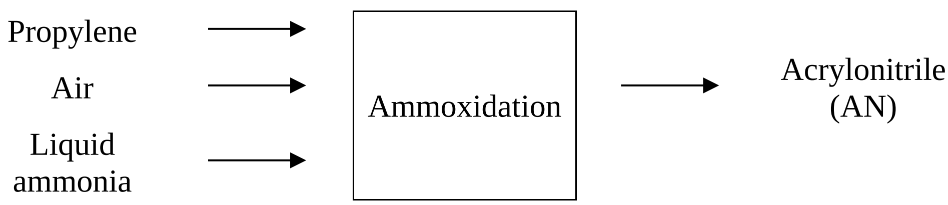
1) Polyacrylonitrile fiber: apparel fabrics, acrylic threads, plush fabrics, stuffed toys, blankets, carpets, upholstery fabrics.

2) ABS plastic: suitcase, cosmetic packaging container, computer, cell phone, home appliances and other outer shell, auto parts.

3) NBR rubber: oil-resistant, heat-resistant industrial rubber products.

4) Acrylamide: oil-displacement agent, wastewater treatment agent, water retention agent for soil, soil conditioner, paper pulp strengthening agent, coating material, flocculant.

(2) Production Process:



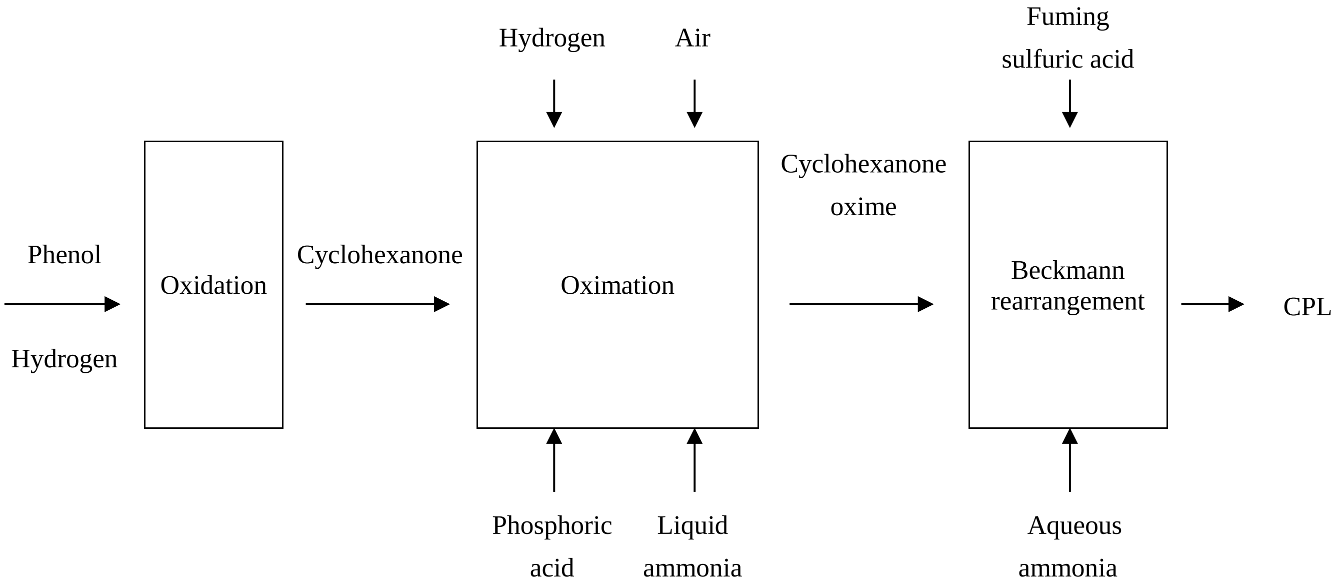
2. Caprolactam (CPL)

1) General textile fiber: sports jacket, lining, stockings, undergarment, etc.

2) Industrial fiber: Umbrella fabrics, fishing lines, fishing nets, tire carcass, handbags, nonwoven fabrics, and home carpets, etc.

3) Engineering plastics: Auto parts, high pressure pipes, surfing boards, and gears, etc.

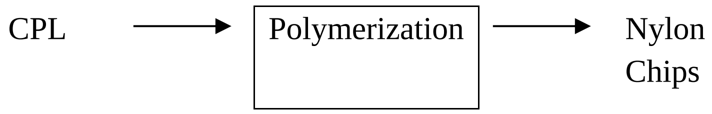
Production Process:



3. Nylon Chips

(1) Nylon chips are the direct downstream products of caprolactam, and its main application is the same as CPL.

(2) Production Process:



(III) Supply and demand of major materials

In addition to ammonia anhydrous and coal which are 100% imported, all other major raw materials used by the Company are obtainable from related domestic suppliers with long-term supply contracts. For example, propylene, toluene, sulfur and natural gas are supplied by CPC Taiwan; sodium hydroxide is supplied by Taiwan Chlorine Industries, and phenol is supplied by Taiwan Prosperity Chemical and Formosa Chemicals And Fibre Corporation. If domestic supply is inadequate, we will replenish the insufficiency with imports. Due to the increased supply of primary raw materials and lower energy costs, the competitiveness of our products will be enhanced.

(IV) Customers sharing 10% of total sales in the past two years and their sales amount and proportion

Major suppliers in the past two years

Unit: NT$ thousands

Item	2024				2025				As of Q1 2026			
	Supplier ID (Note 2, 3)	Amount	Percentage in Annual Purchasing Amount	Relationship with Issuer	Supplier ID (Note 2)	Amount	Percentage in Annual Purchasing Amount	Relationship with Issuer	Supplier ID (Note 2)	Amount	Percentage in Annual Purchasing Amount as of Q1 2026	Relationship with Issuer
1	660	5,027,659	16.82		660	5,273,494	19.16		N/A			
2												
3												
	Others	24,868,765	83.18		Others	22,255,903	80.84					
	Net Purchase	29,896,424	100.00		Net Purchase	27,529,397	100					

Note: 1. Reason of increase or reduction: Change of market price and purchasing quantity.
2. Replaced by supplier ID for business consideration.

Major customers in the past two years

Unit: NT$ thousands

Item	2024				2025				As of Q1 2026			
	Customer ID (Note 2)	Amount	Percentage in Annual Sales Amount	Relationship with Issuer	Customer ID (Note 2)	Amount	Percentage in Annual Sales Amount	Relationship with Issuer	Customer ID (Note 2)	Amount	Percentage in Annual Sales Amount as of Q1 2026	Relationship with Issuer
1	32906	3,306,539	11.23		32906	1,015,027	5.28		N/A			
2												
3												
4												
	Others	26,135,636	88.77		Others	18,202,005	94.72					
	Net Sales	29,442,175	100.00		Net Sales	19,217,032	100.00					

Note: 1. Reason of increase or reduction: Change of market price and sales quantity.
2. Replaced by customer ID for business consideration.

III. Employees

Number of employees in the Past Two Years up to the Report Printing Date

March 31, 2026

Year		2024	2025	As of March 31, 2026
Number of Employees	Taipei Office	244	194	176
	Toufen Plant	192	95	31
	Dashe Plant	261	257	253
	Siaogang Plant	277	264	256
	Qiaotou Plant	37	0	0
	Douliou Plant	67	78	77
	Total	1,078	888	793
Average Age		41.17	41.66	42.5
Average Years of Service		10.41	8.63	10.8
Education Levels	Ph.D.	10	4	2
	Master	236	192	166
	Bachelor	733	600	535
	Senior High and below	99	92	90

IV. Disbursements for Environmental Protection

(I) Damage from Polluting Environment in the Past Two Years

Unit: NT$ thousands

	2024	2025	As of March 31, 2026
Pollution (type and severity)	Violations of regulations related to air pollution control, soil and groundwater contamination, and the management of toxic and concerned chemical substances.	Violations of regulations related to air pollution control, soil and groundwater contamination, and the management of toxic and concerned chemical substances.	Violations of regulations related to air pollution control, and soil and groundwater contamination.
Compensation Party or Punishing Unit	Local environmental protection authorities	Local environmental protection authorities	Local environmental protection authorities
Fine Amount	2,060	3,056	510
Other Loss	--	--	--

(II) Environmental Regulatory Violations in the Most Recent Year and up to the Date of Annual Report Publication

Disposition Date	Disposition Reference Number	Violated Regulation	Description of Violation	Penalty Imposed
2025/6/12	32-114-060001	Article 22, Paragraph 1 of the Soil and Groundwater Pollution Remediation Act	The removal of contaminated soil was not completed within the timeframe specified in the third temporary storage plan under the Fourth Amendment Plan.	A fine of NT$ 200,000 and 2 hours of environmental training
2025/7/23	32-114-070003	Article 22, Paragraph 1 of the Soil and Groundwater Pollution Remediation Act	Sampling of the flue gas from the third thermal treatment unit revealed mercury concentrations exceeding the emission standards set forth in the thermal treatment plan of the Fourth Amendment Plan.	A fine of NT$ 200,000 and 2 hours of environmental training
2025/8/25	20-114-080025	Article 24, Paragraph 2 of the Air Pollution Control Act	Yellow dense smoke was emitted from the discharge duct, dispersing into the atmosphere; additionally, an unregistered exhaust gas flow not specified in the operating permit was identified.	A fine of NT$ 2,130,000 and 8 hours of environmental training
2025/10/1	20-114-100001	Article 32, Paragraph 1 of the Air Pollution Control Act	During maintenance of the sulfur-feeding pump in the liquid sulfur tank, leakage of molten sulfur from the pump shaft resulted in odor dispersion into the air.	A fine of NT$ 120,000 and 2 hours of environmental training
2025/10/23	20-114-100037	Article 20, Paragraph 1 of the Air Pollution Control Act	VOC concentrations measured in the equipment components exceeded the regulated emission standards of Kaohsiung City.	A fine of NT$ 306,000 and 2 hours of environmental training
2025/10/30	20-114-100042	Article 20, Paragraph 1 of the Air Pollution Control Act	VOC concentrations measured in the equipment components exceeded the regulated emission standards of Kaohsiung City.	A fine of NT$ 100,000 and 2 hours of environmental training

Disposition Date	Disposition Reference Number	Violated Regulation	Description of Violation	Penalty Imposed
2026/1/15	32-115-010001	Article 22, Paragraph 1 of the Soil and Groundwater Pollution Remediation Act	Sampling of the flue gas from the fourth thermal treatment unit revealed mercury concentrations exceeding the emission standards set forth in the thermal treatment plan of the Fourth Amendment Plan.	A fine of NT$ 200,000 and 2 hours of environmental training
2026/3/5	20-115-030006	Article 32, Paragraph 1 of the Air Pollution Control Act	Unpleasant odors are dispersed in the air, causing air pollution.	A fine of NT$ 210,000 and 2 hours of environmental training
2026/3/11	20-115-030015	Article 24, Paragraph 2 of the Air Pollution Control Act	The on-site conditions do not match the content of the permit.	A fine of NT$ 100,000 and 2 hours of environmental training

(III) Countermeasures

1. Improvement Plan

(1) Each plant actively cooperates with environmental protection related laws and regulations.

(2) The maintenance and abnormal management of treatment facilities and monitoring equipment are strengthened.

2. Estimated environmental protection expenses in the next three years

	2026	2027	2028
Expense for purchasing pollution prevention equipment	Prevention and improvement of air, water, soil, and underwater pollution in all plants	Prevention and improvement of air, water, soil, and underwater pollution in all plants	Prevention and improvement of air, water, soil, and underwater pollution in all plants
Expected improvement	Pollution and waste reduction and compliance with environmental protection standards	Pollution and waste reduction and compliance with environmental protection standards	Pollution and waste reduction and compliance with environmental protection standards
Amount	NT$31,872 thousand	NT$35,059 thousand	NT$38,565 thousand

3. Impact after improvement

	2026	2027	2028
Impact on net profit	Depreciation increases by about NT$2,897 thousand/year; repair and maintenance increases by about NT$289.7 thousand/year.	Depreciation increases by about NT$3,187 thousand/year; repair and maintenance increases by about NT$318.7 thousand/year.	Depreciation increases by about NT$3,506 thousand/year; repair and maintenance increases by about NT$350.6 thousand/year.
Impact of competitive position	Compliance with environmental standards and social responsibility	Compliance with environmental standards and social responsibility	Compliance with environmental standards and social responsibility

Note: Depreciable assets will be depreciated over 10 years. Values for 2026, 2027 and 2028 are estimates.

V. Labor Relations

(I) Employee benefit, continuing education, training, retirement systems and their implementation:

We have employee welfare committees in our Taipei office and every plants, and from time to time, we hold domestic and overseas trips, various ball games, mountain climbing activities, parent-child activities and other kinds of competitions, and some of these activities are open to the family members of employees.

Each year, we have a budget and a plan to arrange for employees to participate in various training required by their duties, and we have measures to provide incentives for employees to take language or professional courses in their leisure time.

1. Employee benefits

Employee benefits in 2025:

Employee activities in 2025

Item	Benefits (Bonus for Chinese New Year and major festivals, year-end party lottery, cash gift for birthday, and other allowances) (NT$)	Cultural and recreational activities (Travel allowance, ball games, mountain-climbing, and other employee activities) (NT$)
Taipei Office	2,517,918	1,510,653
Toufen Plant	3,570,688	630,554
Dashe Plant (Note)	10,208,920	729,157
Siaogang Plant	780,994	1,763,285
Douliou Plant	1,139,686	195,762
Total	18,218,206	4,829,411

Note: This includes data of Qiaotou Plant.

2. Continuing Education/Training

The employee training hours and status of budget thereof in 2025:

Information about the employees' training in 2025

Item	Total Training Hours	Average Hour per Person	Budget Implementation Efficiency
Taipei Office	6,277	31.8	45.31%
Toufen Plant	3,002	60.2	55,8%
Douliou Plant	4,973.5	37.8	86.7%
Dashe Plant	25,744.5	63.4	80.52%
Siaogang Plant	18,806.5	48.1	68.54%

Incentive and subsidy to employees who attended the continuing education programs to learn other languages or various professional programs in 2025.

Item	Subsidy (NT$)
Taipei Office	0
Other Plants	0
Total	0

3. Retirement System

The Company has established the Labor Pension Supervisory Committee, which will contribute to a reserve for pension monthly pursuant to laws. Other than employees who were hired after the enforcement of Labor Pension Act in 2005 or those who chose the new system, any employees who retire pursuant to Labor Standard Law will deposit the reserve for pension into the account opened by the Labor Pension Supervisory Committee at the Bank of Taiwan monthly pursuant to laws.

Information about employees' pension and retirement in 2025

Item	Amount or number of persons
Total labor pension in 2025	NT$69,428 thousand
Number of retired employees in 2025	26 persons

(II) Labor-management agreements and employees' interest and right protection measures:

1. To enable employees to know about the Company's code of conduct or ethical principles, the Company has defined a "CPDC Business Conduct Policy" (see Attachment), which will be distributed to employees when they are hired. Employees shall sign their signature to acknowledge that they have read and understood the "business conduct policy" adopted by CPDC.

Business Conduct Policy

I. Fair trade policy

1. The Company complies with the Fair-Trade Act (the same act applicable in any of offshore areas) consistently. The Company understands that to build the goodwill requires the efforts through years, while the goodwill earned by efforts through years might be ruined due to one single person's conduct. For fair trade, any colleague's misconduct may cause significant expenses and material litigation to their supervisors as well as the Company and the management, and fine, injunction and even imprisonment sentence.
2. The fair-trade policy aims at maintaining a free competition system among enterprises. The fair-trade policy is established to enable the public to deserve the best protection under fair competition if no conspiracy or collusion is existing among the competitors. It is indisputable that the Fair-Trade Act benefits the maintenance of the economic, political and social groups. The Company's Administration Dept. has also restated its confidence in the fair-trade philosophy. Therefore, under the principles encouraged to seek profit through legal and valid means, any acts of the Company are conducted pursuant to laws. Particularly, reaching agreement or understanding against fair trade is against the Company's policy.
3. The Company's executive officers at each level shall educate colleagues to comply with the fair-trade requirements, so that colleagues may know how to deal with any situation involving fair trade issues.

II. Conflict of Interest Policy

1. Each colleague shall be obligated to deal with the relationship between them and the Company, honestly and fairly. None of the colleagues may engage in any activities against said obligation for personal interest or allow the circumstances against the obligation to exist.
2. If, in any transactions involving the Company and any colleague or a third party, the colleague or his/her spouse or direct blood relative within the second pillar under the Civil Code might seek profit from, the conflict of interest should be held sustained:

   If any colleague contributes to or affects the transaction between the Company and any enterprise and the colleague or his spouse or direct blood relative within the second pillar under the Civil Code holds the shares in the enterprise which are sufficient to influence the enterprise's policy making, the conflict of interest should also be held sustained.

   Under said circumstances, if any colleague has any question about the validity of some case or business relation, he/she shall report the same to the Company via the reporting channel applicable to him/her, so that the Company may research relevant solutions.

3. None of the colleagues is allowed to ask any supplier, customer or competitors for gifts, entertainment or other personal benefits, or accept any gifts, entertainment or other personal benefits that might affect their duties adversely from any supplier, customer or competitor.

III. Payment and Spending Policy

1. The bank account opened by the Company or the fund owned by the Company shall not be disclosed (made public) or recorded without justified reasons.

2. All of the Company's payment or spending records shall be able to precisely reflect the purchasing behavior or fact for the spending.

3. None of the colleagues may make any payment, grant any gift or money, service or valuable goods, privately and directly or indirectly, that cause adverse influence to the Company or its stakeholder.

IV. Non-Disclosure and Non-Competition

1. The employee shall keep confidential any of the Company's technical or business secrets accessed by him/her in the duration of his/her employment in the Company and any information to be kept confidential under the contract signed by the Company and a third party, in the duration of the employment. The employee shall not utilize confidential information to seek his/her personal interest or engage in the same business, or disclose the same to a third party without authorization.

2. The employee shall not publish the confidential information referred to in the preceding paragraph, or disclose or utilize to engage the same business as the Company with the intent to seek illegal profit, upon his/her resignation.

3. The computer program, literal work and graphic work created by the employee in performing his/her duty under the Company's planning in the duration of his/her employment shall be vested in the Company as agreed. Without the Company's prior written consent, the employee shall not use the same arbitrarily within the effective time limit defined in the Copyright Act.

V. Internal Information Control Policy

Any colleague who holds the Company's internal information shall not engage in trading the Company's securities, directly or indirectly, or disclose the same to a third party without authorization. Internal information refers to the information that shall not be made public. If it is impossible for any colleague to make sure whether the information held by him/her is internal information, he/she shall consult with the department which owns the information.

VI. Compliance

1. When granting some voluntary authority, the colleague and agent shall note and advise the licensee of compliance with the "Business Conduct Policy".

2. Each colleague shall report to his/her supervisor or executive officer any violation

or suspected violation of the Company's "Business Conduct Policy" or other regulations. None of the colleagues may intimidate or retaliate the co-worker who submits the report. The colleague shall be obligated to report any suspected violation of the Company's "Business Conduct Policy" or other regulations, and shall acknowledge that he/she shall be obligated to avoid ignoring the fact and circumstance for any misconduct and shall alert such fact and circumstance and submit the report to his/her supervisor or executive officer.

VII. Communication and Negotiation

1. Each supervisor and colleague shall work together with each one to create and acknowledge the importance of establishment of a highly efficient team and shall get along with each other well. Should any colleague have any problem, private or for business, he/she may talk with his/her supervisor, and the supervisor shall communicate with the colleague from time to time to seek the resolution together with the colleague, to boost the team's performance.

2. The Plant and company labor-employer meetings will serve as a communication channel between labor and the employer. In addition to the representatives from labor and the employer, any colleagues who have positive suggestions may propose their suggestions via the representatives, so that both parties may research and resolve the same at the meetings to reach agreement and implement resolutions.

3. Should any colleague have any question about the personal interest or management system, he/she may learn about the same through his/her supervisor or the HR unit and communicate through the administrative system channels from time to time. He/she may also communicate with the Plant and company welfare committees about employee fringe benefits or cultural and entertainment activities at any time.

4. The whistleblower reporting system is designed to enable colleagues to report his/her problems at work and avoid the supervisor's adverse influence. The colleague may maintain his/her interests and rights through this channel.

5. The colleague and supervisor may also take advantage of other administrative measures, such as nomination system, personal interview, meetings, and quarterly and yearly performance appraisal, as communication channels. If any colleague cannot apply said communication channels as the case involves any personal rule violation or delinquency, he/she shall also present the relevant evidence supported by the facts. In case of any false accusation, intentional harassment and alienation, the Company will ignore the complaint and the recipient may tear down the complaint directly but shall not circulate the same, unless some concrete fact and evidence show that the anonymous complainant is one of the Company's colleagues or any person instigated by the complainant, in which case the colleague and the person shall be disciplined pursuant to the Articles of Incorporation.

6. Said communication channels under the normal system will be protected and valued. Aside from the above-mentioned policies, any activity engaged in attacking the Company's operation or failure to seek personal interest and solution through

legal procedure under the name of any outsider, authority or group or by taking advance of or colluding with outsiders, authority or groups shall be held against the Company's policy and material requirements.

VIII. Enforcement Rules

Each of the Company's departmental supervisor shall ask each of the colleagues subordinated to him/her for the written report and ask new employees for the written report within one week after the new employees are hired. In the case of any changes in the Company's "Business Conduct Policy", he/she shall ask each of colleagues subordinated to him/her for the written report again. The written report shall contain the following:

1. The colleague has read the Company's:

   Fair trade policy, Conflict of Interest Policy, Payment and Spending Policy, Non-Disclosure and Non-Competition, Internal Information Control Policy, Compliance, Communication and Negotiation.

2. The colleague has understood and is willing to comply with said policies;

3. The colleagues and other co-workers under his/her supervision have already read and understood and are willing to comply with said policies.

   Meanwhile, various supervisors shall supervise their immediate subordinates' compliance with said policies. Upon receipt of the written report from each immediate supervisor and colleague, the departmental supervisor shall submit one copy of the written report showing compliance of him/her and all colleagues subordinated to him/her with said policies.

Business Conduct Policy Compliance Certificate (for the general colleagues)

It is certified that:

1. I have already read and understood the "Business Conduct Policy" adopted by CPDC:

   Fair trade policy, Conflict of Interest Policy, Payment and Spending Policy, Non-Disclosure and Non-Competition, Internal Information Control Policy, Compliance, Communication and Negotiation.

2. I hereby undertake that I will comply with the Business Conduct Policy accordingly.

____________________ (Date) ____________________ (Printed Name)

2. In order to maintain stable labor relations, promote harmonious labor relations, and smooth communication channels between the employer and employees, the Company has established the industrial labor union, and all employees are free to join. In order to improve labor well-being, group agreement negotiations have been carried out since 2013. The labor union and the Company uphold the spirit of labor autonomy and the principle of integrity to negotiate on labor affairs related matters such as members' labor conditions, welfare measures, occupational safety, internal complaint system, operation activities of the labor union and use of corporate facilities. The group agreement has been signed since July 2013. The group agreement is valid for a period of 3 years from the date of signing and is subject to re-negotiation of amendments before its expiry, which has been signed for more than 9 years to date. The agreement also stipulated content which is applicable to the Company's regulations and superior to labor laws. According to the attendance management method of the Company, the ordinary injury and sickness leave within 7 days in a year will be paid in full; if it is within 8 to 30 days, the salary will be paid in half; if it is more than 31 days, no salary will be paid. It is clearly stipulated that Party A should give Party B members substantial compensations on May 1st Labor Day, Dragon Boat Festival, Founding Anniversary of the Company, Chinese New Year and Mid-Autumn Festival.
3. According to the group agreement, regional and company-level labor-management meetings are convened every quarter between union and management representatives of the Company. The company-level labor-management meetings are chaired in rotation by labor and management representatives. In 2025, a total of 4 labor-management meetings were held. Key discussion topics included: 1. Production bonus and incentive schemes; 2. Salary adjustment policies; 3. Ongoing evaluation of the potential reinstatement of employee stock ownership trust contribution ratios; 4. Group insurance (2025 plan): In response to premium adjustments, existing coverage will remain unchanged, while premium contributions for dependents will be adjusted on a self-paid basis; 5. Typhoon leave compensation and natural disaster attendance management: Implemented in accordance with the Company's Operational Guidelines for Suspension of Work Due to Natural Disasters As of 2025, except for the appointed managers, all employees in each plant of the Company are 100% protected by the group agreement.
4. The Company has also defined its work rules, which were reviewed and approved by the city government, and made public, and distributed to all colleagues via email. CPDC has established a number of labor-management communication channels to ensure smooth and open communication. These channels are used to listen to our employees to speed up coordination, communication, and response. In addition to the plant and company-level unions that serve as the primary official channel for Communication with Employees, employees can also submit their feedback and suggestions through the Employee Welfare Committee, employee grievance channels, and other less formal, routine channels of communication to the company depending on the nature of the incident. The "Key Points for Handling Complaint Cases by Colleagues" were formulated, and the management teams of each plant and the human resources unit of the operation headquarters accept employee complaints and feedback. After receiving relevant complaints, the undertaking unit will arrange appropriate units to handle them according to the content of the complaint, or respond upwards.

(III) Losses suffered by the Company due to dispute over labor and employer relationships in the most recent year until the date of publication of the annual report are as follows: There were no labor disputes in 2025 and until the date of publication of the annual report.

VI. Cyber Security Management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber Security Risk Management framework

   - To manage the promotion of cyber security policy and resource allocation, the Company established the position of Chief Information Security Officer, and set up an Cyber Security Management Unit under the Information Technology Division with a dedicated cyber security supervisor and two dedicated cyber security personnel, who are responsible for formulating the Company's cyber security policy, planning and implementing cyber security procedures, and promoting and implementing cyber security policies.
   - The Chief Information Security Officer reports annually to the Company's Board of Directors on the status of cyber security governance and enforcement for the year to enhance the Board of Directors' understanding of the Company's current cyber security status. The performance of cyber security management for the year was reported at the 16th Board of Directors Meeting of the 23th Session on December 11, 2025.
   - The Audit Office conducts annual cyber security audits in accordance with the internal control system - information control operations - computerized information system processing operations to evaluate the effectiveness of the company's information operations.

2. Cyber Security Policy

   - To protect the security of the information assets managed by the Company from the risk of tampering, disclosure, destruction or loss of business information due to various threats and damages, whether intentional or accidental, internally or externally, to maintain the information environment for the continued operation of the Company's business, and to meet the requirements of relevant government regulations and internal and external stakeholders.
   - The Company has implemented the ISO 27001:2022 Information Security Management System, establishing and enforcing information security protocols in compliance with the standard. The system was certified through a third-party audit in February 2024 and successfully passed the renewal audit in January 2026, and the certificate is currently valid until February 2027. We have established an information internal control system to promote cyber security governance. The Company cooperates with auditing units to arrange annual cyber security audit plans and conducts evaluation checks at least once a year to ensure the confidentiality, integrity and availability of information related to the Company's

business and that the overall cyber security protection capability is sufficient to meet operational needs, and continuously optimizes and improves cyber security management policies.

(1) Ensure the confidentiality, integrity and availability of information assets.

(2) Ensure that data access is regulated in accordance with departmental functions.

(3) Ensure the continued operation of information systems.

(4) Prevent unauthorized modification or use of data and systems.

(5) Perform regular cyber security audits to ensure cyber security is implemented.

3. Specific Management Solutions

- To promote cyber security governance in accordance with cyber security management policies and internal control systems, we will continue to optimize and revise management practices and implement various cyber security management efforts.

(1) Network Cyber Security Control

A. Cyber security measures (firewall, anti-virus, intrusion detection system, email protection).

B. Critical systems and websites are reinforced with enhanced protection levels through the deployment of Trend Micro antivirus solutions.

C. Implement user network application control.

D. Regular cyber security scanning and correction (system vulnerability, virus, security update correction files, etc.).

E. Utilizing Endpoint Detection and Response (EDR) mechanisms to continuously monitor and detect abnormal activities among users and information systems.

F. From time to time, we conduct network service log record checks and abnormality tracking.

(2) Data access control

A. All types of information systems and equipment are kept by dedicated personnel and inventoried regularly.

B. Electronic forms are used to strengthen the control of access to each information system and remote VPN connection.

C. Establishing a privileged account management mechanism, and regular inventory and verification of access rights of various accounts.

D. Introduce encryption protection mechanism for sensitive data.

E. Wipe sensitive data before the equipment is disposed of.

(3) Disaster recovery

A. Establish a backup recovery management mechanism for the information system.

B. Establish a 3-2-1 rule heterogeneous and heterogeneous backup mechanism.

C. Regularly review emergency response plans and conduct recovery drills.

D. Regularly review backup control measures and continuously optimize them.

(4) Cyber Security Promotion and Audit

A. Conduct annual cyber security audits.

B. Regularly conduct internal cyber security setting audits.

C. Cyber security logs are kept and managed.

D. Cyber security promotion for new employees.

E. Regularly implement cyber security education and training and cyber security promotion, to promote cyber security policies, related regulations and cyber security protection concepts to strengthen employees' cyber security awareness.

(5) Cyber security joint prevention mechanism

Join TWCERT/CC and CISO to obtain and share the latest information on cyber security threats.

4. Investing in resources for cyber security management

- In addition to promoting cyber security management in accordance with the information internal control system, the Company cooperates with auditing units to schedule annual cyber security audits and continuously updates cyber security management-related measures.
- The daily operation continues to monitor and interpret the data of important internal host logs and network traffic, and has set up an alarm mechanism for each important information system. When there is an abnormal stoppage of service or a suspicious event, the responsible supervisor and business administrator will be notified immediately, and cyber security analysis will be conducted in response to possible cyber security threats.
- In addition to the routine cyber security training courses for new employees, the Company also conducts cyber security education training and cyber security promotion from time to time to enhance employees' cyber security awareness.
- The Company continued to optimize the network architecture, update the access control authentication hosts, and raise the cyber security level, etc. The summary of the year's activities is as follows:

(1) The headquarters' firewall equipment was comprehensively reviewed and its rule settings were adjusted to enhance the detection and blocking of malicious threat traffic.

(2) Strengthen the Company's SSL VPN services by implementing a One-Time Password (OTP) authentication mechanism and conducting periodic account

reviews to provide a more secure network connection environment

(3) Continuous drills for important service system operation have been completed to verify the effectiveness of the backup mechanism.

(4) Regular website and system vulnerability scans were carried out for key systems, and system administrators repair or update systems according to the scanning results to reduce the vulnerability or loopholes that can be attacked and ensure the stability of key systems.

(5) In response to enhanced cybersecurity requirements, the Company reviewed and optimized its information system structure.

(6) To mitigate the risk of email-based social engineering attacks, the Company conducted email phishing simulation exercises and cybersecurity awareness training.

(7) Upgraded and replaced outdated IT equipment to reduce potential security vulnerabilities and enhance overall system availability.

(8) We Conducted 18 information security promotions this year, and conducted information security education and training courses (including external training), trainees, and hours are as follows.

Item no.	Participants	Total hours of training	Number of participants
1	General personnel	1.5 hours	1,616
2	Information/cyber security personnel (include supervisor)	6 hours	43
3	Chief information security officer/cyber security supervisor	9.5 hours	2

(II) The Company shall set forth the losses, possible impacts and responses to major cyber security incidents in the most recent year and up to the date of printing of the annual report, and if it is not reasonably estimable, it shall specify the fact that it is not reasonably estimable.

In 2025 and up to the date of printing of the annual report, the Company did not experience any major information and communication security incidents. Moving forward, we will continue to strengthen our cybersecurity defense capabilities and enhance employees' awareness of information security. Regular annual recovery plan drills will be conducted to safeguard the security of critical systems and data.

VII. Important Contracts

(I) Engineering Contract

Type of contracts	Counterparty	Period	Major contents	Restriction
Process Factory Equipment Information Software Maintenance Contract	CTCI Advanced Systems Inc.	2023.01.01~ 2025.12.31	Equipment Information Software Maintenance Contract	None

(II) Supply Contract

1. Our main products, acrylonitrile and caprolactam, have long-term stable sales relationships with our customers, such as Chi Mei Corporation, Grand Pacific Petrochemical Corporation, Nantex Industry Co. Ltd., Li Peng Enterprise Co., Ltd., Zig Sheng Industrial Co. Ltd. and Chain Yarn Co., Ltd., and some of them have signed supply and sales contracts.
2. For the major raw materials required, some of the domestic purchases include propylene, sulfur and industrial natural gas, all of which are under long-term purchase contracts with CPC Corporation. For raw materials, we have long-term contracts with foreign suppliers for phenol and liquid ammonia.

(III) Technical Cooperation Contract

Type of contracts	Counterparty	Period	Major contents	Restriction
Outsourced Research Project	Industrial Technology Research Institute	2023.04.01~ 2025.03.31	Development of Lightweight Elastomer Technology	The intellectual property ownership shall be subject to the contract.
Outsourced Research Project	Industrial Technology Research Institute	2023.08.15~ 2025.08.14	Commissioned Research on Hydrogenation	The intellectual property ownership shall be subject to the contract.
Outsourced Research Project	Industrial Technology Research Institute	2024.05.01~ 2025.04.31	Development of Low-Energy Consumption Substrate Material Technology	The intellectual property ownership shall be subject to the contract.
Outsourced Research Project	National Cheng Kung University	2024.08.01~ 2025.07.31	Cooperative Research Project on the Development of Phosphazene Derivatives to Enhance Battery Safety Performance	The intellectual property ownership shall be subject to the contract.
Outsourced Research Project	National Cheng Kung University	2025.12.01~ 2026.11.30	Industry–Academia Collaboration on Performance and Safety Evaluation of Batteries Incorporating Phosphazene Derivatives	The intellectual property ownership shall be subject to the contract.
Outsourced Research Project	REACH24H	2025.12.01~ 2027.03.31	Taiwan/China New Chemical Substance Registration Services	The intellectual property ownership shall be subject to the contract.

Type of contracts	Counterparty	Period	Major contents	Restriction
Outsourced Research Project	Henan Normal University	2025.12.01~ 2027.11.30	Application of Flame Retardants in Lithium-Ion Batteries	The intellectual property ownership shall be subject to the contract.

(IV) Long-term Loan Contracts

Type of contracts	Counterparty	Period	Major contents	Restriction
Long-term Loan	Taiwan Life Insurance	2021.04-2026.11	Capitalization of working capital	None
Long-term Loan	Syndicate loan by financial institutions, including Mega International Commercial Bank	2021.07-2026.07	Capitalization of working capital	None
Long-term Loan	Land Bank of Taiwan	2021.09-2041.09	Acquired the necessary funds for the Douliou Plant of Chain Yarn Co., Ltd.	None
Long-term Loan	Hua Nan Commercial Bank	2022.04-2027.04	Plant remediation and improvement project	None
Long-term Loan	CTBC Bank	2023.08-2026.08	Purchase of machinery and equipment	None
Long-term Loan	Sunny Bank	2023.10-2026.10	Capitalization of working capital	None
Long-term Loan	Bank of Taiwan	2023.12-2026.12	Capitalization of working capital	None
Long-term Loan	President Securities Corporation	2024.02-2027.02	Capitalization of working capital	None
Long-term Loan	First Commercial Bank	2024.05-2027.05	Capitalization of working capital	None
Long-term Loan	Bank of Kaohsiung	2025.02-2027.02	Capitalization of working capital	None
Long-term Loan	Mega International Commercial Bank	2025.09-2028.09	Repayment of borrowings and capitalization of working capital	None
Long-term Loan	Bank of Taiwan	2025.09-2028.09	Capitalization of working capital	None

Chapter 5 Review and Analysis of Financial Position and Financial Performance, and Risk Management

I. Review and Analysis of Financial Status (Adoption of IFRS-Consolidated)

Unit: NT$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	57,800,566	67,942,293	(10,141,727)	(14.93)
Property, plant and equipment	24,176,608	25,943,733	(1,767,125)	(6.81)
Net investment property	38,086,078	38,086,248	(170)	-
Intangible assets	48,124	49,995	(1,871)	(3.74)
Other assets	9,228,875	10,063,624	(834,749)	(8.29)
Total assets	129,340,251	142,085,893	(12,745,642)	(8.97)
Current liabilities	27,880,645	34,030,988	(6,150,343)	(18.07)
Non-current liabilities	25,138,243	28,480,577	(3,342,334)	(11.74)
Total liabilities	53,018,888	62,511,565	(9,492,677)	(15.19)
Capital stock	37,848,502	37,848,502	0	-
Capital surplus	1,582,006	1,582,006	0	-
Retained earnings	37,612,091	40,590,496	(2,978,405)	(7.34)
Other equities	(777,602)	(526,313)	(251,289)	(47.75)
Non-controlling equity	56,366	79,637	(23,271)	(29.22)
Total shareholders' equity	76,321,363	79,574,328	(3,252,965)	(4.09)

Notes to significant changes:

1. The decrease in current assets was due to the repayment of loans by the consolidated subsidiaries and a reduction in accounts receivable resulting from the demand in the petrochemical market.
2. The decrease in property, plant, and equipment is due to the sale and disposal of machinery and equipment by the Company and its subsidiaries in Mainland China.
3. The decrease in intangible assets is due to the amortization of computer software and patents.
4. The decrease in other assets was due to the sale of domestic company shares by the consolidated subsidiaries.
5. The decrease in current liabilities was due to the repayment of short-term financing loans from financial institutions.
6. The decrease in non-current liabilities was due to the repayment of long-term financing loans from financial institutions.
7. The decrease in retained earnings was due to a decline in profits caused by weak market demand in 2025.
8. The decrease in other equity is due to foreign exchange differences arising from the translation of financial statements of overseas operating entities.
9. The decrease in non-controlling interests is due to the decline in profits compared to the previous year.

II. Review and Analysis of Financial Performance (Adoption of IFRS-Consolidated)

Unit: NT$ thousands

Item \ Year	2025		2024		Increase/ Decrease	Proportion of change (%)
	Subtotal	Total	Subtotal	Total		
Total operating revenue	19,217,032		29,367,781		(10,150,749)	(34.56)
Less: Sales return and discount	0		0			
Operating revenue, net		19,217,032		29,367,781	(10,150,749)	(34.56)
Operating cost		21,056,344		29,093,428	(8,037,084)	(27.63)
Less: Unrealized sales profit and loss		0		0	0	
Plus: Realized sales profit and loss		0		0	0	
Gross profit (loss)		(1,839,312)		274,353	(2,113,665)	(770.42)
Operating expenses		1,727,942		2,100,599	(372,657)	(17.74)
Operating profit or loss		(3,567,254)		(1,826,246)	(1,741,008)	(95.33)
Non-Operating Income and Expenses		1,091,312		2,729,608	(1,638,296)	(60.02)
Net profit (loss) before tax		(2,475,942)		903,362	(3,379,304)	(374.08)
Less: Income tax gain (expense)		(266,279)		(160,643)	(105,636)	(65.76)
Net profit (loss) from continuing operations		(2,742,221)		742,719	(3,484,940)	(469.21)
After-tax profit (loss) from discontinued operations		(247,276)		(523,213)	275,937	52.74
Net profit (loss)		(2,989,497)		219,506	(3,209,003)	(1,461.92)
Other comprehensive income (after tax)		(263,468)		588,680	(852,148)	(144.76)
Total comprehensive income		(3,252,965)		808,186	(4,061,151)	(502.50)
Net profit (loss) attributable to parent company in the current period		(2,966,375)		247,675	(3,214,050)	(1,297.69)
Net profit (loss) attributable to non-controlling equity in the current period		(23,122)		(28,169)	5,047	17.92
Comprehensive income attributable to parent company		(3,229,694)		836,101	(4,065,795)	(486.28)
Comprehensive income attributable to non-controlling equity		(23,271)		(27,915)	4,644	16.64

1. Operating revenue:

   Due to global supply and demand imbalances, reciprocal tariffs, and the continuous introduction of new capacity, sales volume of the main product caprolactam decreased by approximately 31% compared to 2024, while acrylonitrile increased by 3%. In terms of sales prices, the selling price of caprolactam declined by about 21%, and that of acrylonitrile decreased by approximately 7%. Additionally, the sales volume of cyclohexanone from the mainland subsidiary significantly declined compared to the previous year, resulting in a decrease in operating revenue compared to 2024.

2. Gross profit:

   (1) In the case of the main product, Acrylonitrile (AN), due to the global supply-demand imbalance and the continued release of production capacity, market supply growth outpaced demand growth, resulting in weaker product prices. Consequently, sales prices declined, and profits decreased by NT$179 million compared to the previous year.

   (2) In the case of the main product, Caprolactam (CPL), due to expanded production capacity in Mainland China, reciprocal tariffs, and intensified competition within the industry, sales prices declined, resulting in a decrease in overall profit of NT$1.478 billion compared to the previous year.

3. Operating expenses, profit or loss:

   (1) The decrease in operating expenses was due to cost-saving measures implemented during the year.

   (2) The decrease in operating profit and loss was due to the impact of global supply and demand imbalances and the continued release of production capacity, intensified competition among peers, and equivalent tariffs, which led to a decline in sales prices and reduced profitability.

4. Non-operating income and expenses:

   The decrease during this period was primarily due to a decline in gains from the disposal of investment properties (land in the Economic and Trade Section).

5. Income tax:

   The increase in income tax expense was primarily due to the rise in land value increment tax on investment properties.

6. Other comprehensive income (net income):

   The decrease in other comprehensive income was due to the sale of equity instruments measured at fair value through other comprehensive income and unrealized gains and losses on investments.

III. Review and Analysis of Cash Flow (Adoption of IFRS-Consolidated)

Unit: NT$ thousands

Cash and cash equivalents at beginning of year (1)	Net cash inflow from operating activities throughout the year (2)	Cash inflow throughout the year (3)	Surplus (deficit) (1)+(2)+(3)	Remedial measures for projected cash deficit	
				Investment plan	Financial plan
6,172,176	(3,846,385)	(503,292)	1,822,499	-	-

(I) Analysis of variance in cash flows:

1. Operating activities: The net cash outflow of NT$3,846,385 thousand is primarily due to the decrease in core business profits for the year was due to market factors and the impact of the industry environment.
2. Investing activities: The net cash inflow of NT$3,902,176 thousand is primarily due to disposal of non-current assets held for sale.
3. Financing activities: The net cash outflow of NT$4,165,584 thousand is primarily due to the repayment of corporate bonds and both short-term and long-term loans.

(II) Remedy for deficit in cash and liquidity analysis:

1. Remedy for deficit in cash: None (surplus)
2. Liquidity analysis: The current ratio for 2025 slightly increased compared to 2024, primarily due to a decrease in accounts payable resulting from market factors and payment of goods by the consolidated companies in 2025, as well as a reduction in other current liabilities.

(III) Analysis of variance in cash flows for the future year:

1. Operating activities: Projected net cash outflow NT$1,468,751 thousand.
2. Investing activities: The expected net cash inflow of NT$20,016,584 thousand is primarily due to the disposal of investment properties.
3. Financing activities: The expected net cash outflow of NT$15,087,755 thousand is primarily due to the repayment of long-term borrowings.
4. Remedy for deficit in cash: None (surplus)

IV. Major Capital Expenditures in the Most Recent Fiscal Year and Their Effects on the Company's Finance and Business

Since the Company's major capital expenditures in recent years were mainly financed by its own working capital and loans from financing projects, the financial risk control is regularly evaluated and controlled, and therefore has no significant impact on the Company's financial condition.

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

CPDC's reinvestment policy focuses on the core competitiveness of petrochemical and land development related industries. The selected objects for reinvestment shall have the benefits of upstream and downstream or vertical integration, business expansion, technology enhancement and asset revitalization.

Mainland investment operations were affected by the global economic slowdown, Sino-US tariff conflicts, and overcapacity in the Mainland. The market faced dual pressures of weak demand and excess supply. In 2025, both sales volume and prices declined simultaneously, resulting in intense market competition and significant pressure on overall gross profit. Outlook for 2026: The global economic environment remains highly uncertain, with factors such as geopolitical risks and the slowdown in Mainland China's economic growth momentum. It is expected that the industry's supply and demand structure will continue to show little improvement in the short term. Future operational strategies will focus on strengthening cost control and operational efficiency, strictly managing capital expenditures and inventory levels, enhancing cash flow management, and accelerating the introduction of strategic investors.

Regarding land development investments in Southeast Asia, suitable projects have not materialized due to ongoing political and economic instability in Myanmar and the impact of tariff and trade tensions in Vietnam. To maintain flexibility in capital deployment, the Company plans to repatriate a portion of its funds from Vietnam while continuing to monitor global developments to identify future investment opportunities.

The axis of the global economy is shifting from west to east, thus pulling the center of chemical demand to the east. The Asia Pacific region has become the driving force behind the growth in global demand for petrochemicals. The increase in purchasing power, the large population and the increasing degree of urbanization indicate that the rapid growth in demand will continue in the future. With the goal of long-term development and sustainable management, the Company will continue to focus on the development of domestic and foreign related industries in the coming year in accordance with its business expansion needs and strategies, and carefully evaluate and find suitable investment targets for entry, mainly focusing on acquiring high-value products in the fields of production technology, optics, semiconductors, new energy and communications, and continuing to strengthen its core competitiveness and market position.

VI. Analysis and Assessment of Risk Matters for the Most Recent Fiscal Year and the Current Fiscal Year Up to the Publication Date of the Annual Report

(I) The impact upon the Company's profit/loss due to changes in interest rate, exchange rates, and inflation as well as the measures the Company's response measures:

1. Impact on the Company's profit/loss:

Item	2025 (NT$ thousands; %)
Net interest income (expenditure)	(578,056)
Net exchange gain (loss)	(200,413)
Net interest income (expenditure) to net operating revenue	-3.01 %
Net interest income (expenditure) to net profit before tax	-23.35%
Net exchange gain (loss) to net operating revenue	-1.04%
Net exchange gain (loss) to net profit before tax	-8.09%

(1) Interest rate fluctuations

The Company's interest rate risk primarily arises from floating rate interest accruing from long- and short-term debt and fixed income. To hedge the risk of interest rate fluctuations, the Company enters into transactions when interest rates are at relatively low or high levels after carefully evaluating the financial market conditions. Therefore, even if interest rate fluctuates due to uncertainties, there is no material impact on the Company.

(2) Exchange rate fluctuations

The Company's major products and raw materials are mostly priced in USD and settled in NTD (except for imports and exports). The exchange rate fluctuation would have an impact on the cost and revenue of petrochemical products such as CPL and AN. There was no outstanding balance of outstanding derivative transactions subject to exchange rate fluctuations at the end of 2025.

(3) Inflation

The Company's major procurement is domestic and foreign petrochemical raw materials or imported raw materials, which are mainly affected by changes in the international raw materials market while relatively less impacted by domestic inflation.

2. Future Response Measures:

(1) Response measures against interest rate fluctuations

The Company will continue to actively pursue preferential interest rates from banks to reduce interest expenses, and will also reduce the average cost of capital by establishing multiple funding channels.

(2) Response measures against interest rate fluctuations

The Company uses natural hedges for exchange rate fluctuations. The net foreign exchange position, after offsetting the sales revenue and expenses, is based on the actual foreign exchange denominated revenue and expenses, and depending on market conditions and changes in the position, the Company selects the optimal time to hedge the risk of exchange rate fluctuations by spot exchange trading.

(3) Response measures against inflation

The largest niche for the Company is that more than half of its major raw materials, such as propylene, sulfur, natural gas, fuel oil and phenol, are steadily supplied by CPC and other domestic manufacturers, as prices are calculated based on specific equations and international price · Although the impact of domestic inflation is minimal, the Company continues to reduce costs through market mechanisms and process improvements, and continues to promote various debottlenecking solutions.

(II) Policy on high-risk, high-leverage investments, loaning of funds, endorsements and guarantees as well as derivatives transactions, major causes for profits or losses and future response measures:

The Company currently does not engage in derivative transactions and the Company is financially prudent and does not engage in high-risk and highly leveraged investments. In 2025, the Company's loans and endorsements were mainly made to its subsidiaries and were made in accordance with the procedures set forth in the "Procedure for Lending Funds to Other Parties and Endorsement/Guarantees" established by the Company. The majority of the funded loan recipients and guarantee companies are 100% directly (indirectly) owned subsidiaries of the Company. The Company has obtained financial statements and business overview of the subsidiaries and analyzed their profitability to assess the risk of the Company's loans and endorsements.

Please refer to the 2025 Audit Report and the disclosure in the notes thereto for information on the Company's lending of funds and endorsement/guarantee.

(III) Future R&D plans and expected R&D expenditure:

Innovation and R&D have always been the core objectives of CPDC's development towards sustainable operation. At present, CPDC's R&D is divided into major orientations: improvement of existing production processes and development of new products.

1. Improvement of the existing production process:

The Company will continue to improve the existing production process technology intelligent production management to enhance efficiency, reduce production costs and develop energy-saving and carbon-reducing green processes as its primary goal.

2. Development of new products:

New product research and development initiatives encompass battery safety additives, high-frequency low-dielectric resins, and microfluidics hydrogenation technologies. These efforts are integrated with market intelligence gathering and product promotion, alongside ongoing technology assessments and in-depth development based on existing capabilities. The Company evaluates strategic entry advantages, strengthens proprietary core technologies, and continues investing in the development of higher value-added products to expand its industry chain.

We expect to invest approximately NT$135,197,000 in R&D in 2026, and the estimated annual investment in the future will depend on the progress of the R&D plan.

Statistics of R&D expenses invested by CPDC and its subsidiaries in the past years

Year	2021	2022	2023	2024	2025	2026 (Estimated)
Amount (NT$ thousands)	461,963	411,946	264,323	285,462	233,070	135,197

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

In 2025, CPDC faced multiple challenges in the global economic environment, including the increase in production capacity in mainland China, the impact of inflation and high interest rates in Europe and the United States, and the lower-than-expected economic recovery momentum in mainland China. In addition, since Taiwan fails to participate in the Regional Comprehensive Economic Partnership (RCEP), if China terminates the Economic Cooperation Framework Agreement (ECFA) across the Taiwan Strait, cancels the tariff reduction of certain products, or imposes anti-dumping duties unilaterally, it will aggravate the marginalization of Taiwan's petrochemical industry in regional economic integration.

The opportunities and threats that CPDC faces from international trends and important policy changes, as well as the responses, are as follows:

[Opportunities]

1. Emerging Market Demand: The growing demand for petrochemical products in India and Southeast Asia presents CPDC with opportunities for market expansion and diversification.
2. Rising Demand for Eco-Friendly Products: The global preference for

environmentally friendly and low-carbon products is driving the market demand for high-value products, creating opportunities for technological innovation and product upgrades.

3. The slowdown in capacity expansion in Mainland China, combined with capacity adjustments in Europe and North America, has led to a redistribution of global CPL trade flows, subsequently impacting the overall market supply–demand structure and price equilibrium.

[Threats]

1. The geopolitical and energy-related sanctions have disrupted the supply chain of raw materials and caused a wide range of price increases and cost escalation, while some of our competitors in China produce their own raw materials and can relatively control their production costs, thus unfavoring our ability for competition.
2. Trade conflicts have not yet ended, and there are potential concerns about the escalation of tariff wars, which affects the import of raw materials and export restrictions of products from factories in China; cross-strait relations have worsened, and trade barriers set up by China are not favorable to Taiwan's exports to Mainland China.
3. Taiwan fails to participate in the Regional Comprehensive Economic Partnership (RCEP), if China terminates the Economic Cooperation Framework Agreement (ECFA) across the Taiwan Strait, cancels the tariff reduction of certain products, or imposes anti-dumping duties unilaterally, it will aggravate the marginalization of Taiwan's petrochemical industry in regional economic integration.
4. Environmental protection tax has pushed up the cost of petrochemical production, and the safety and environmental protection requirements of the chemical industry have been increased.

[Response]

1. Actively expand into emerging markets such as India and Southeast Asia to reduce reliance on a single market, diversify risks, and enhance overseas market share.
2. Continue to cultivate the domestic demand market in China and strengthen the vertical integration of the Rudong plant: The Company has set up supply chains both inside and outside of Mainland China, taking advantage of the choice of quality, cost, tariff and other niche points on both sides of the strait to provide flexibility in supply.
3. Integrate cross-strait liquid chemical export and storage trade operations to flexibly utilize and reduce the impact of tariffs.
4. Master the technology of low energy consumption and low emission, and reduce the cost of production to create the competitive advantage of the industry.

5. Continue to strengthen the high-end competitiveness in Taiwan, accumulate independent research and development energy, and strive to develop high-value products to open up the market with the difference of professional technology, product quality and technical service.
6. Establish a robust risk management system and leverage intelligent management platforms to improve decision-making efficiency, respond swiftly to market changes, and ensure the Company remains stable and competitive in a volatile environment.

(V) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and countermeasures:

1. In response to the outbreak of COVID-19 which impacted on the movement of personnel, the Company implemented office separation at the beginning of the outbreak, which allowed some of the employees to work remotely from home and isolated from home when traveling abroad and returning home under the current information structure via SSLVPN and video conferencing systems. Implemented One-Time Password (OTP) authentication mechanisms and conducting regular account reviews. In addition, Intrusion Prevention Systems (IPS) have been deployed to defend against external cyber threats, thereby ensuring a more secure network connectivity environment.
2. With the rapid development of digital automation technology and AI technology in recent years, the number and frequency of network attacks continue to increase, and the growth of ransomware virus is increasing at a large rate and the attack techniques continue to be renewed. To protect the Company's important information service operations from being interrupted, we have purchased a cloud sandbox information security system to protect important information hosts and data, and to ensure uninterrupted information backbone operations.
3. With the continuous development of network technology, the Company has introduced SDWAN network architecture to strengthen its network management capability, reduce network dedicated line cost, and flexibly utilize network equipment to build network services for flexible applications, and continues to introduce the latest network equipment and management models.
4. The Company utilized an industry-recognized network vulnerability scanning system. to conduct regular system vulnerability scans for key systems, and refers the results to the system manager for system repair or update to reduce system vulnerabilities or loopholes that can be attacked and ensure the stability of key systems.
5. Regarding the risk of digital asset licensing, the Company has implemented the computer asset management system to control the utilization rate of the Company's software and hardware versions and licenses to prevent

unauthorized or excessive use of licenses, which may cause software licensing risks to the Company, and to generate regular reports on the utilization rate to provide a basis for optimizing the number of licenses.

6. To address the growing risk of Advanced Persistent Threat (APT), we have installed Trend Micro host-based antivirus product. on critical hosts and PCs, and introduced next-generation firewall to prevent unknown network threats and zero-day attacks by using powerful threat intelligence data and AI analysis technology to detect and prevent malicious network traffic or unknown malware before entering the Company's information system and strengthen the Company's network boundary. It detects and blocks malicious network traffic or unknown malware before it enters the Company's information systems, and strengthens the Company's network boundary.
7. To mitigate the growing risk of executive impersonation social engineering attacks, the Company has strengthened cybersecurity awareness and training programs for employees. In addition, an email security gateway has been implemented to inspect inbound and outbound emails. The system verifies standard email authentication protocols, including SPF, DKIM, and DMARC, and leverages intelligent detection technologies to identify and block spoofed or fraudulent emails.
8. The Company always monitors the technological changes and evolution of the industry in which it operates, keeps abreast of market trends and industry information, and builds an intelligent decision-making platform to strengthen horizontal and vertical stakeholder connections, so that it can make data-driven decisions and master operational performance. Continuously promote enterprise digital optimization to maintain the Company's competitiveness:
   (1) Improve the underlying work of data (data collection automation, strengthen data flow).
   (2) Deepen and increase functional modules (intelligent decision-making platform).
   (3) Implementation and Application of the Business Intelligence (BI) Platform.
   (4) Build the micro service platform (intelligent self-service robot ChatBot).
   (5) Integration of Generative AI and AI Workflow Management.
9. For more information on the Company’s information security risk management, please refer to the 2025 CPDC Sustainability Report.

(VI) Impact of corporate image change on corporate crisis management and response measures:

With the fundamental principles of market orientation and the pursuit of excellence, the Company continues to improve quality and innovation to provide products and services that satisfy our customers, and to respect and care for our colleagues, customers, suppliers, collaborators and neighbors in the community in order to enhance customer and shareholder value. The Company is committed to safety, hygiene, environmental protection, energy conservation and the development of a co-prosperous environment, and is striving to maintain a good corporate image for sustainable management and contribution to society. Regarding crisis management, internal crisis management procedures have been clearly established. In case of any crisis situation, the Company will respond promptly and accurately according to these procedures in order to reduce or mitigate the impact on the corporate image.

(VII) Expected benefits, and possible risks associated with the merger and acquisition and response measures:

On December 11, 2025, the Board of Directors of the Company resolved to merge with its wholly-owned subsidiary, Tsou Seen Chemical Industries Corporation, with the Company as the surviving entity. The original merger base date was February 1, 2026. On January 29, 2026, the merger base date was changed to April 1, 2026. As the procedures are still in progress, the merger base date has been postponed again on March 23, 2026. The actual merger base date will be determined and announced separately according to the relevant work progress and actual circumstances. Tsou Seen Chemical Industries Corporation is currently applying for merger and dissolution registration.

1. Expected benefits: Streamline management costs and improve operational efficiency.
2. Possible risks associated with the merger and acquisition and response measures: None.

On March 30, 2026, the Board of Directors of the Company resolved to acquire the 60% equity interest in Kaohsiung Monomer Co., Ltd. (hereinafter "KMC") held by Lucite International Alpha B.V. for a total consideration of NT$ 1. Upon completion of the transaction, KMC will become a wholly-owned subsidiary of the Company. The transaction is scheduled to close on August 3, 2026; however, the actual completion date remains subject to the approval of the authorities.

1. Expected benefits: To strengthen upstream and downstream coordination in production and sales.
2. Possible risks associated with the merger and acquisition and response measures: None.

(VIII) Expected benefits, and possible risks associated with facilities expansion and response measures:

To enhance the operational flexibility of key raw materials, namely liquid ammonia and phenol, as well as to improve the logistics flexibility for product imports and exports, the Company, with the approval of the Board of Directors, has invested in the construction of proprietary storage and transportation facilities for liquid ammonia, phenol, and acrylonitrile (AN) at the Kaohsiung Port Intercontinental Phase II Storage Area. These facilities commenced official operations in 2023. Additionally, the Company has initiated the third-phase investment project for the expansion of chemical storage tanks, which is expected to commence operations in 2026. To meet Taiwan Power Company's requirements for stable regional power supply and system security, the Toufen Plant is implementing a gas engine generator system to replace the existing coal-fired cogeneration unit. This system is scheduled for commercial operation in 2026 and will supply electricity to affiliated factories through a resale model, thereby reducing power costs and enhancing operational competitiveness.

(IX) Risk from centralized purchasing or selling, and countermeasures:

The Company's primary raw material for the production of acrylonitrile, which is propylene, and one of the important raw materials for the production of caprolactam, which is natural gas, are supplied by CPC in Taiwan. If the supply of CPC is not stable, the production of acrylonitrile and caprolactam will be affected.

In addition, the Kaohsiung plant belonging to CPC has been relocated or shut down in 2015, and the Dashe Petrochemical Industry Zone where the Company's Dashe Plant is located, is subject to the Motion No. 7 of the "Motions for the Change of Dashe Urban Plan (3rd General Review)" of the former Kaohsiung County Government in the official letter under Kaohsiung County Government issued the official letter under Fu-Chien-Tu-Tze No. 211694 (1998) dated November 7, 1998 , which requires that "the manufacturers in the Special Industrial Zone shall complete the relocation of their plants by 2018. The County Government will change the zone into a Type B Industrial Zone pursuant to statutory procedures ......", and the Kaohsiung City Government requested the Ministry of the Interior to approve the "Change of the Dashe Urban Plan (4th General Review)" in the official letter under Kao-Shih-Fu-Tu-Fa-Kuei-Tze No. 10130250600 dated January 13, 2012. On March 22, 2019, the Kaohsiung Urban Planning Commission considered changing the Dashe Industrial Zone from Special to Type B. Production can still continue, but cannot be expanded or reconstructed. The Urban Planning Committee of Ministry of the Interior held the third review meeting on the change of the Dashe Urban Plan on November 10, 2020, and suggested the Industrial Development Bureau to invite the Kaohsiung City Government and related units to clarify the opinions of the manufacturers and have them included in the urban plan by the Kaohsiung City Government to eliminate disputes. On February 11, 2022, the Industrial Development Bureau held the third meeting of the ad hoc group on "Impact of the Transformation of the Dashe Industrial Zone into a Type B Industrial Zone on the Petrochemical Industry" and concluded that the Kaohsiung City Government shall continue to provide assistance, communicate and coordinate with each other to discuss suitable and feasible solutions. On June 8, 2022, the Industrial Development Bureau convened the fourth meeting of the ad hoc group on "Impact of the Transformation of the Dashe Industrial Zone into a Type B Industrial Zone on the Petrochemical Industry" and concluded that an objective and comprehensive review by an impartial third party is recommended to facilitate the seeking of appropriate follow-up solutions and consensus. The conclusion of the fifth meeting of the ad hoc group on "Impact of the Transformation of the Dashe Industrial Zone into a Type B Industrial Zone on the Petrochemical Industry" held on September 28, 2022, still requested the Ministry of the Interior and the Supervisory Yuan to keep paying attention to this issue, and the Industrial Development Bureau will continue to assist in the discussion and exchange of opinions between the manufacturers and the Kaohsiung City Government, and to consolidate the opinions of the participating units in the meeting and submit them to the Supervisory Yuan for the members' investigation and reference. Due to the fact that the Dashe Environmental Protection Union filed a complaint with the Supervisory Yuan and the Supervisory Committee filed a case for investigation, a Letter of Investigation was sent to the Petrochemical Industry Association of Taiwan on December 20, 2022, and the Ministry of Economic Affairs was asked to actively seek consensus with the Kaohsiung City Government and develop specific plans and supporting measures. At present, the Company is cooperating with manufacturers in Dashe Industrial Zone to communicate with the government and strive for downgrading to Type A industrial zone.

(X) The impact on the Company, and risks arising from major exchange or transfer of shares by directors, supervisors or major shareholders with over 10% of shareholdings, and the countermeasures: None.

(XI) The impact on the Company, and risk due to changes in managerial authority, and the countermeasures: None.

(XII) Litigation and non-litigation matters:

§Against

1. Damages to Anshun residents (the first case)

(1) Fact at issue:

The plaintiffs including Wu initiated the complaint alleging that Taiwan Soda Ash Co., Ltd., Anshun Site, as consolidated by CPDC pursuant to the order of Ministry of Economic Affairs, produced such material as dioxin due to production of PCP prior to the consolidation, thereby causing damage to the plaintiffs. Therefore, CPDC should be liable for the damages due to the consolidation.

(2) Claimed value: NT$351,750,000

(3) Date of initiation: July 2008

(4) Parties:

Plaintiff: Wu, et al.

Defendant: CPDC, MOEA, Tainan City Government, and Environmental Protection Bureau of Tainan City Government

(5) Status:

The 1st instance was rendered on December 2015 that CPDC and MOEA shall bear joint and several liability for compensation NT$168,170,000 to Anshun residents. The Company filed an appeal on December 2015 pursuant to laws. After examination by the Tainan Branch of High Administrative Court, the judgement was upheld, so that CPDC should wholly compensate the Anshun residents with NT$191,578,366. In disagreement with the decision, the Company filed an appeal pursuant to laws in September 2017. In November 2018, the Supreme Court ordered the Company to compensate the plaintiff for a total of NT$190,000,000, but the portion about medical expense was reversed and remanded for a new trial, and CPDC won the case. The appeal was filed in August 2019 by the Anshun residents, and dismissed by the Supreme Court in March 2020, which confirmed that the judgment was final and binding and the case was closed.

2. Damages to Anshun residents (the second case)

(1) Fact at issue: The same fact with the Damages to Anshun residents (the first case).

(2) Claimed value: NT$80,915,000

(3) Date of initiation: March 2016

(4) Parties:

Plaintiff: Yu, et al.

Defendant: CPDC and MOEA

(5) Status:

Pursuant to laws, the Company responded to legal actions due to the fact of this case is the same as damages to Anshun residents (the first case). In order to maintain the Company's interests, the Company would respond to the lawsuit. In November 2020, the Tainan District Court issued a judgment that the 39 plaintiffs' claims were justified and dismissed the remaining plaintiffs' claims. With regard to the court's opinion that the portion of the plaintiff's request is justified, the Company believed that it should fight for the benefits on the starting point of the prescription and filed an appeal in December 2020, and currently the case is pending in Taiwan High Court Tainan Branch Court. On June 6, 2024, the High Court dismissed the plaintiff’s claims and rendered a final judgment in favor of the Company.

3. Administrative disposition under Nan-Shih-Fu Huan-Shui-Tze No. 09822035440

(1) Fact at issue:

Tainan City Government ordered the Company, via its official letter under Nan-Shih-Fu Huan-Shui-Tze No. 09822035440 dated December 17, 2009, to pay the out-of-pocket expenses for the project related to Anshun Site soil pollution remediation to the account of Soil and Groundwater Pollution Remediation before January 31, 2010. The disposition was served to the administrative appellant in December 2009.

(2) Claimed value: NT$17,961,679

(3) Date of initiation: January 2010

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

The Company paid foresaid expenses within the specific time limit and filed an administrative appeal. Notwithstanding, the administrative appeal was overruled by a decision. The Company filed an administrative suit with Kaohsiung High Administrative Court. The Court ruled in September 2012 that the part of the decision about the amount exceeding NT$17,867,012 should be revoked, while the other claims filed by the Company were overruled. The Company filed an appeal against the judgement overruling the Company's claims pursuant to laws. In September 2013, the Supreme Administrative Court remanded the case for a new trial. In October 2015, the Kaohsiung High Administrative Court revoked the part of the judgement of the payment amount exceeding NT$7,067,702. Both parties filed an appeal again with the Supreme Administrative Court in November 2015. The Company's appeal was overruled in February 2017 and part of the facts was remanded to the Kaohsiung High Administrative Court for further hearing. The Kaohsiung High Administrative Court ruled in July 2018 that the part of the judgement about the amount exceeding NT$8,120,984 should be revoked, while the other claims filed by the Company were overruled. The Company filed an appeal to the Supreme Administrative Court against the judgement overruling the Company's claims pursuant to laws. In January 2020, the Supreme Administrative Court reversed the original judgment and remanded it to the Kaohsiung High Administrative Court. In November 2020, the Kaohsiung High Administrative Court issued a judgment that all fees payable by the Company in excess of NT$7,620,000 were revoked. In order to seek the Company's best interests and to obtain reasonable remediation fees, the Company filed an appeal in December 2020. In December, 2022, the Supreme Administrative Court reversed the original judgment regarding the Company's obligation to pay approximately NT$7,620,000, with the portion exceeding NT$6,096,000 (considering the total amount deemed payable by the Company, including the final and binding portion of this judgment, which amounts to NT$13,338,000). The judgment, in this case, is final and binding.

4. Anshun rental land for fish farming

A. Case 1

(1) Fact at issue:

Anshun land for fish farming is owned by the Company. Some tenants have terminated their rental contract, yet they still occupy the lands owned by the Company. Thus, the Company demanded the return of the land from those tenants.

Thus, the Company demanded the return of the land from those tenants.

(2) Claimed value: NT$79,999,432

(3) Date of initiation: November 2015

(4) Parties:

Plaintiff: CPDC

Defendant: 4 tenants

(5) Status:

The case was filed in November 2015. The Company filed an interlocutory appeal in January 2016 against the ruling of court cost, which was dismissed in August 2019. The Company filed an interlocutory re-appeal in the same month, which was withdrawn in September of the same year. The case was closed.

B. Case 2

(1) Fact at issue:

Same as Case 1.

(2) Claimed value: None

(3) Date of initiation: September 2017

(4) Parties:

Plaintiff: CPDC

Defendant: 4 tenants

(5) Status:

The Company filed a lawsuit in September 2017 and attempted for a settlement in litigation. The settlement with both parties was established in February 2020.

C. Case 3

(1) Fact at issue:

The case is for the Anshun land for fish farming owned by the Company. Since some tenants have terminated their rental contract, the contract is not renewed. However, some tenants denied having terminated the lease, and thus, they urged the Company to perform the lease.

(2) Claimed value: None

(3) Date of initiation: September 2017

(4) Parties:

Plaintiff: 23 tenants

Defendant: CPDC

(5) Status:

The lawsuit was filed in 2019. In December, 2020, the Tainan District Court issued a judgment that the Company should cooperate with the tenant to register the lease. The Company filed an appeal in December, 2020. The case is currently pending before the Supreme Court.

D. Case 5

(1) Fact at issue: Same as case 1

(2) Claimed value: NT$15,062,050

(3) Date of initiation: December 2020

(4) Parties:

Plaintiff: CPDC

Defendant: 3 tenants

(5) Status:

The lawsuit was filed in 2020. In January 2021, the Tainan District Court dismissed the lawsuit on the grounds that the defendants died prior to the filing of the lawsuit. The Company filed an interlocutory appeal in January 2021, which was heard by the Taiwan High Court Tainan Branch Court. In March 2021, the Taiwan High Court Tainan Branch Court reversed the ruling of dismissing the lawsuit by the original court and ordered the original court to impose an appropriate decision. The settlement had been reached in the end of 2021 and the case was closed.

E. Case 6

(1) Fact at issue: Same as case 3

(2) Claimed value: None

(3) Date of initiation: April 2021

(4) Parties:

Plaintiff: 4 tenants

Defendant: CPDC

(5) Status:

The lawsuit was filed in 2021. In July 2022, the Tainan District Court issued a judgment that the Company should cooperate with the tenants to register the leases. The Company filed an appeal in July 2022 and lost the case.

5. Civil action against Anshun Old Dormitory

(1) Fact at issue:

Taiwan Alkali Anshun Dormitory is owned by the Company, but some residents have occupied the dormitory for many years or registered households. However, the Cultural Affairs Bureau of Tainan City Government designated and announced the area as a municipal archaeology site on November 17, 2014. Since the Company has responsibility for managing and maintaining that area and protects its own property rights for the stipulated use or for the collection of profits of the property, the Company filed this suit.

(2) Claimed value: NT$19,566,120 and added interest

(3) Date of initiation: January 2016

(4) Parties:

Plaintiff: CPDC

Defendant: Residents of the Taiwan Alkali Anshun Dormitory

(5) Status:

The Company filed a suit in January 2016. In September 2019, the Taiwan High Court made the judgement that the Company won the case and the case was closed.

6. Managers Tsai, Liu and Chen et al. sued and prosecuted under civil and criminal law for infringement of the Company’s trade secrets. The Company has appointed relevant attorneys to clarify the facts in order to protect the Company's interests.

(1) Fact at issue:

The Company believed that Tsai et al. stole secrets through their duties for the purpose of providing relevant organizations in Mainland China that were planning petrochemical construction projects and also took advantage of the high-value chemical products, which were researched, developed, and manufactured by the Company through the acquisition of Dah Shyang Chemical Co. Ltd. in Taiwan.

The reproduction of such trade secrets were without authorization, and a breach of trust occurred by stealing the Company's trade secrets and providing such to the third party caused the theft of the Company's trade secrets and damaged to its competitiveness.

(2) Claimed value: NT$7 billion, etc.

(3) Date of initiation:

a. Civil action: October 2016

b. Criminal prosecution: December 2016

c. Claim for returns of unjust enrichment of pension: March 2017

(4) Parties:

Plaintiff and complainant: CPDC

Defendant: Managers Tsai, Liu and Chen et al.

(5) Status:

a. After the mediation of the civil damages case was unsuccessful, the Taiwan Taipei District Court concluded oral arguments in December 2024. In January 2025, the judge ruled that Mr. Tsai, Mr. Hung, Mr. Lin, Mr. Chang, Mr. Yeh, Mr. Huang, and Mr. Chen are jointly and severally liable to pay the Company NT$13,338,477, plus interest. Mr. Liu was ordered to pay the Company NT$13,770,000, plus interest. The remainder of the Company’s claims was dismissed. Both parties have appealed the portions of the judgment unfavorable to them. The case is currently under review by the Intellectual Property and Commercial Court in the second instance.

b. Criminal prosecution: In February 2024, Taiwan Miaoli District Court sentenced the Company’s former general manager OO Tsai to 1 year and 2 months’ imprisonment, former project manager OO Chen to 9 months’ imprisonment, former plant director of Toufen plant OO Liu to 1 year’ imprisonment and 1 year and 2 months’ imprisonment respectively for 2 offenses, former assistant vice general manager of technology center OO Chang to 11 months’ imprisonment, former specialist of technology center OO Lin to 7 months’ imprisonment, former specialist of technology center OO Yeh to 5 months’ imprisonment, which may be commuted to a fine at a daily rate of NTD 3,000, former manager of safety and environmental protection center OO Hong to 6 months’ imprisonment, which may be commuted to a fine at a daily rate of NTD 3,000, and acquitted He OO company of the charges. The judgment of the ancillary civil action ordered OO Liu to compensate the Company for NTD 13,770,000 and the interest, and overruled the rest of the Company’s claims. The defendant, the prosecutor, and the Company in relation to the unfavorable judgment, dissatisfied with the first-instance judgment, has filed an appeal. The case is currently under review by the Intellectual Property and Commercial Court in the second instance.

c. Claim for return of unjust enrichment of pension: Regarding the claim for return of unjust enrichment of pension, the Board of Directors of the Company made a formal resolution of dismissing Tsai et al. retrospectively. The Company filed a suit to the court for return of unjust enrichment in March 2017, and the claim was overruled by the judgement rendered by the Taipei District Court in December 2017. In disagreement with the decision, the Company filed an appeal for remedy with the Taiwan High Court in January 2018. The Taiwan High Court dismissed the Company's appeal in February 2020. The Company filed an appeal once again to the Supreme Court in March of the same year, which was dismissed by the Supreme Court in January 2022, and the case of the claim for return of the pension was closed.

7. Administrative disposition under Nan-Shih-Fu Huan-Shui-Tze No. 1000700466

(1) Fact at issue:

Tainan City Government ordered the Company, via its official letter under Fu-Huan-Shui-Tze No. 1000700466 dated September 16, 2011, to pay the out-of-pocket expenses for Anshun Site-related work projects to the Soil and Underground Water Pollution Remediation Fund account. After the Company stated its own opinion, Tainan City Government ordered the Company to make the payment within a specific time limit via its official letter under Nan-Shih-Fu-Huan-Shui-Tze No. 1010242670 dated March 26, 2012.

(2) Claimed value: NT$16,095,318

(3) Date of initiation: April 2012

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

The Company paid foresaid expenses within the specific time limit and filed an administrative appeal. Notwithstanding, the administrative appeal was overruled by a decision. The Company filed the administrative remedy pursuant to the law. The Kaohsiung High Administrative Court rendered a judgement and revoked the administrative appeal decision and the original disposition regarding the amount that exceeded NT$119,000. Both parties filed an appeal each in September 2014. The Supreme Administrative Court remanded the case to the Kaohsiung High Administrative Court in November 2015. The Kaohsiung High Administrative Court in March 2017 rendered a judgement and revoked the order of the payment exceeded NT$6,498,455, which the Tainan City Government required payment from the Company. Both parties disagreed with the judgement, and filed an appeal each for remedy. In April 2018, the Supreme Court made the judgement that the Company does not need to pay NT$9,596,863. The judgment was final and binding and the case was closed. The Company received the amount of NT9,596,863 paid by the Tainan City Government.

8. Claim for removal of buildings and refund of land by Taiwan Alkali Co., Ltd. to village residents

(1) Fact at issue:

The Company consolidated Taiwan Alkali Co., Ltd. in 1983 and generally succeeded to its right and obligation. In 1986, the Company entered into an agreement with all of Taiwan Alkali Village residents to make the land Nos. 1323-259 and 1323-261 available to them to accommodate the utilities, such as public roads and water towers, continuously used by them. Upon investigation on occupation of the public utility land, some residents were found violating the agreement by constructing private buildings thereon, changing the purpose of the utility arbitrarily and misappropriating the land used for the utilities. The Company planned to recall said land and asked them to refund unjust enrichment to secure the Company's assets and all shareholders' interests and rights.

(2) Claimed value: NT$5,506,370

(3) Date of initiation: February 2013

(4) Parties:

Plaintiff: CPDC

Defendant: Taiwan Alkali Co., Ltd. Village Management Committee, et al.

(5) Status: The Company filed a suit pursuant to the law and raised a claim for removal of buildings and the return of the land. The Kaohsiung District Court rendered a judgement overruling the claim of the Company. In September 2014 the Company filed an appeal pursuant to laws. After the Taiwan High Court Kaohsiung Branch Court rendered a judgement overruling the Company's claim in July 2016, the Company was unwilling to accept the judgement and filed an appeal for remedy with the Supreme Court in September 2016. In 2019, the Supreme Court remanded the case for a new trial, and the Taiwan High Court Kaohsiung Branch Court announced a judgement that the Company partly won and partly lost the case. The Company was not satisfied with the defeated part, and filed an appeal with the Supreme Court in October 2021. In June 2023, the Supreme Court dismissed the Company’s appeal and the case was confirmed to be the end.

9. Civil action against high-rank management

(1) Fact at issue:

The Company's high-ranking managers, Liu and Chang, resigned directly without completing the handover procedures. They have stopped performing duties as of July 1, 2013. The Company issued a letter demanding that they should perform duties, but they refused to do so. The Board of Directors relieved them from the posts in October 2013. The Company filed a suit against Liu pursuant to laws because he severely violated the work rules of the Company. Later, Liu and Chang claimed the pension against the Company pursuant to Labor Standard Law. Both parties failed to reach settlement upon negotiation. Liu and Chang initiated a civil action each for payment of pension with Taipei District Court and Kaohsiung District Court in January 2014.

(2) Claimed value: NT$8,044,460 and NT$6,039,497

(3) Date of initiation: January 2014

(4) Parties:

Plaintiff: Liu and Chang

Defendant: CPDC

(5) Status:

The Plaintiffs initiated the actions, which were under examination by Taipei District Court and Kaohsiung District Court respectively. Taipei District Court in September 2015 rendered the judgement that the Company should give Liu NT$4,572,150, while the Kaohsiung District Court in September 2015 rendered the judgement that the Company shall give Chang NT$35,393. For the former case, the Company filed an appeal in September 2015. In March 2017, the Taiwan High Court dismissed both appeals. The Company was not satisfied with the results and filed an appeal to the Supreme Court in April of the same year. In June 2019, the Supreme Court dismissed both appeals and upheld the judgement of first instance that CPDC should pay NT$4,572,150 plus 5% interest. Since the Supreme Court dismissed each appeal on the ground that the appeals were meritless, which meant that the case was final and no further appeal could be filed. The case was closed. The claim of the Plaintiff of the latter was dismissed by the Taiwan High Court in July 2016. The plaintiff appealed against the Taiwan High Court's decision. In August 2018, the court of third instance made the judgement that the appeal was justified, and the original judgement was reversed and remanded to the Taiwan High Court Kaohsiung Branch Court for a new trial. In July 2019, the Company was ordered to pay NT$3,785,306 plus statutory interest to Chang. The Company filed an appeal and the Supreme Court reversed the judgement and remanded the case for a new trial in April, 2021, and the Taiwan High Court Kaohsiung Branch Court made a judgement in November, 2021 that the Company should pay NT$3,764,399 and the statutory interest. The Company was not satisfied with such judgment and filed an appeal. The Supreme Court's ruling was received, dismissing the appeal, thus concluding the case in July, 2022.

10. Anshun Dormitory Cultural Heritage Designation Case

(1) Fact at issue:

The Company owns land that was designated as a cultural heritage site by the Tainan City Cultural Heritage Review Committee. The designation includes 16 dormitory buildings formerly used by TAIC, along with a total of 20 land parcels, including the land on which the dormitories are located and adjacent areas. Dissatisfied with the public announcement of the heritage designation, the Company filed an administrative appeal with the Tainan City Government in December 2014.

(2) Claimed value: None.

(3) Date of initiation: December 2014

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

In December 2014, the Company initiated administrative appeal proceedings. In August 2015, the Ministry of Culture rendered a decision partially in favor of the Company, revoking the cultural heritage designation for four of the Company’s land parcels. For the remaining parcels, the Company filed an administrative lawsuit seeking judicial relief. In July 2020, the Supreme Administrative Court vacated the original judgment and remanded the case to the Kaohsiung High Administrative Court for retrial. In June 2023, the Kaohsiung High Administrative Court rendered a judgment partially revoking the original administrative disposition and the appeal decision, while dismissing the remainder of the claims. The Tainan City Government filed an appeal, and the case is currently under review by the Supreme Administrative Court.

11.Administrative disposition under Fu-Huan-Shui-Tze No. 1030098879

(1) Fact at issue:

Tainan City Government ordered the Company, via its official letter under Nan-Shih-Fu Huan-Shui-Tze No. 1030098879 dated February 2014, to pay the out-of-pocket expenses for the project related to Anshun Site soil pollution remediation, NT$27,444,217, within a specific time limit.

(2) Claimed value: NT$27,444,217

(3) Date of initiation: March 2014

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

The Company paid said expenses within the specific time limit and filed an administrative appeal. Notwithstanding, the administrative appeal was overruled by a decision in July 2014. The Company filed the administrative remedy pursuant to laws. After examination by the Kaohsiung High Administrative Court, the judgement was rendered in August 2016 that the Company only needed to pay NT$153,657 and the rest of the claim was overruled. Considering the overall interests, the Company filed an appeal against the part of overruling the Company's claim, and the Supreme Administrative Court made the judgement in October 2021 that the Company should only pay NT$538,000 and the judgment was final and binding. Subsequently, the Tainan City Government filed a litigation for a rehearing of the case, which was rejected by the Supreme Administrative Court.

12. Administrative disposition under Kao-Shih-Fu-Shui-Shih-Yi-Tze No. 10335137100 (Turn off the pipelines with enforcement because of Kaohsiung gas explosion)

(1) Fact at issue:

An underground pipeline gas-explosion event occurred in Kaohsiung City in July 2014. Kaohsiung City Government ordered the Company in August 2014 to turn off the pipeline, and prohibited the Company from restoring to use all the petrochemical pipelines in affected areas. For disagreement with the administrative disposition above, the Company initiated the proceedings of the administrative litigation remedy pursuant to laws.

(2) Claimed value: None.

(3) Date of initiation: September 2014

(4) Parties:

Plaintiff: CPDC

Defendant: Kaohsiung City Government

(5) Status:

The Company initiated an administrative appeal pursuant to laws in September 2014, and MOEA overruled the administrative appeal in December 2015. The Company filed an administrative appeal with Kaohsiung High Administrative Court in January 2016, and the part of the claim was overruled upon judgement in January 2017. In disagreement with the judgement, the Company filed an appeal for remedy in February of the same year. The Supreme Administrative Court made a judgement of remanding for a new trial in October 2021. In January 2024, the Kaohsiung High Administrative Court ruled against the Company. The Company disagreed with the judgment and filed an appeal. In March 2026, the Supreme Administrative Court dismissed the Company’s appeal, and the judgment became final and binding.

13.Administrative disposition under Kao-Shih-Kung-Wu-Kung-Tze No. 1033652500 and No. 1033766200 (Repeal of permission to mine and use the road for underground pipelines in Kaohsiung)

(1) Fact at issue:

Due to the “81 Kaohsiung gas explosion” incident, Public Works Bureau of Kaohsiung City Government, via its official letter to CPC Corp., the adversary subject to the disposition, repealed the Company's right to use the land of all the pipelines. Some pipelines mentioned in the repeal disposition are owned by the Company, and the Company commissioned CPC Corp. to build the pipelines at first, thus the Company, as the stakeholder, initiated a remedy claim against Public Works Bureau of Kaohsiung City Government pursuant to laws in September and November 2014.

(2) Claimed value: None.

(3) Date of initiation: September 2014

(4) Parties:

Plaintiff: CPDC

Defendant: Public Works Bureau of Kaohsiung City Government

(5) Status:

The Company initiated an administrative appeal pursuant to laws in September and November 2014, and the Petition Committee of Kaohsiung City Government overruled the administrative appeal. In April 2015 the Company filed an administrative suit against two administrative dispositions. The claim was overruled upon judgement by the Kaohsiung High Administrative Court in March 2017. In disagreement with the decision, the Company initiated an appeal for remedy in April within the same year. The Supreme Administrative Court dismissed the Plaintiff’s appeal in May, 2018, and this judgment was final and binding.

14. Anshun application

(1) Fact at issue:

Summary of J. Y. Interpretation No. 714 indicates that whether polluters' general successors bear the remedial obligation does not belong the range of Soil and Groundwater Pollution Remediation Act. Meanwhile, ex-Taiwan Alkali Corp. was a state-owned enterprise and its affiliated Anshun Site was commanded and supervised under the Ministry of Economic Affairs, Taiwan Provincial Government, and CPC Corp., etc., and they also dominated operations and obtained profits from it. These foresaid actions should be deemed the acts of state, but the government asked a private juristic person to bear the result of the pollution. Thus, the Company applied for the confirmation from Tainan City Government that those were actual polluters or potentially responsible for pollution and they should pay for the relevant costs and refund the money the Company had already paid over the years.

(2) Claimed value: None.

(3) Date of initiation: December 2014

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

In November 2014 Tainan City Government made a rejection, and the Company initiated an administrative appeal for remedy. In March 2015 Tainan City Government revoked the preceding disposition and made a new one. Considering the litigation strategy, the Company initiated an administrative appeal against the new disposition in April 2015. Environmental Protection Administration of Executive Yuan made a decision not to proceed with the case, because the original disposition had been revoked. New disposition was overruled in July 2015. The Company filed a first instance for remedy in September 2015, but it was overruled upon judgement by the Kaohsiung High Administrative Court in November 2017. In disagreement with the decision, the Company filed an appeal within the same year. In October 2018, the Supreme Court overruled the appeal by a ruling, and the ruling was final and binding.

15. Letter under Nan-Shih-Fu-Huan-Tu-Tze No. 1050327521

(1) Fact at issue:

Tainan City Government ordered the Company to pay for the "2013 CPDC's (Taiwan Alkali Co., Ltd.) supervision and auditing project for Anshun Site remediation". According to Article 14, Paragraph 4, Article 15, and Article 43, Paragraph 1 of the Soil and Groundwater Pollution Remediation Act (hereinafter referred to as Soil Pollution Act), the Company was requested to pay NT$63,270,582.

(2) Claimed value: NT$63,270,582

(3) Date of initiation: December 2016

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

The Company initiated an administrative appeal in June 2016, and the agency with jurisdiction of administrative appeals overruled the administrative appeal. The Company filed an appeal for remedy in December 2016. After the examination by Kaohsiung High Administrative Court, the Company was only liable for approximately NT$4 million among the total. Both parties were not satisfied with the result and filed appeals in July 2017. In October 2018, the Supreme Court dismissed the Company's appeal (part of the NT$4,845,000 has been confirmed) and withdrew the rest of the decision of the Kaohsiung High Administrative Court and remanded the case for trial. The Kaohsiung High Administrative Court ruled that, except for the final and binding portion of the judgment, the Company's portion in excess of NT$35,018,000 was revoked (i.e., the Company was required to pay NT$39,863,000). The Company and the Tainan City Government filed an appeal to the Supreme Administrative Court in October 2019 against the unfavorable part of the judgment. In January, 2022, the Company received a notice from the Supreme Administrative Court of the judgment in this case. Except the final and binding portion of the judgment, the payment that Tainan City Government ordered the Company to pay more than NT$7,276,000 should be reversed (that is, the Company should totally pay NT$12,142,000, including the final and binding portion of the judgment). This judgment was final and binding. Subsequently, the Tainan City Government filed a litigation for a rehearing, which was rejected by the Supreme Administrative Court.

16. One million fine on the 3rd revision of the pollution remediation plan deemed non-proposal

(1) Fact at issue:

According to Article 22, Paragraph 4 of the Soil and Groundwater Pollution Remediation Act, the Tainan City Government fined the Company NT$1,000,000 and 8 hours of environmental seminars on May 4, 2017 based on the administrative disposition under Fu-Huan-Tu-Tze No. 1060456103, which the Environmental Protection Bureau of Tainan City Government alleges that the Company's pollution remediation plan did not comply with a request for improving the processing capacity. Thus, the EPB deemed the Company as failing to submit a 3rd revision proposal to the remediation plan.

(2) Claimed value: NT$1,000,000

(3) Date of initiation: June 2017

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

In disagreement with the disposition, the Company initiated a claim of administrative remedy to Kaohsiung High Administrative Court in December 2017, while revised the pollution remediation plan as requested by Environmental Protection Bureau of Tainan City Government. The plan was approved in January

2018 and would be carried out in the future. The Court ruled against the Company and the Company appealed to the Supreme Court, which annulled the original decision and remanded the case to the Kaohsiung High Administrative Court in July 2020. In December 2020, the Kaohsiung High Administrative Court ruled against the Company. Considering the risk of litigation, the cost of litigation, and the need to alleviate the tension between the Company and the Tainan City Government, the Company did not file an appeal in this case, and therefore such judgement was final and binding in January 2021.

17. Administrative disposition under Fu-Huan-Tu-Tze No. 1030098879

(1) Fact at issue:

Environmental Protection Bureau of the Tainan City Government, via its official letter under No. 1090092471 issued on August 31, 2020, required the Company to pay the relevant work plan expenses of the Anshun Site to the soil and groundwater pollution remediation fund account.

(2) Claimed value: NT$32,718,777

(3) Date of initiation: September 2020

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

In view of the statutory requirements, the Company paid the aforementioned fees in advance within the deadline required by the Tainan City Government and filed an administrative appeal for relief in September of the same year, which was dismissed by the Tainan City Government in December 2020. In February 2021, the Company filed an administrative litigation to the Kaohsiung High Administrative Court. In December 2021, the Kaohsiung High Administrative Court made the judgement that the Company was only required to pay NT$493,000 and the remaining part was revoked; To show its goodwill towards the Tainan City Government, the Company decided not to appeal the lawsuit against the defeated portion. The Tainan City Government filed an appeal. The Supreme Administrative Court, reversed the portion of TWD 23,421,708 and remanded the case back to the Kaohsiung High Administrative Court by a judgement. The Environmental Protection Bureau of the Tainan City Government, objected the judgement and initiated a rehearing action against the final and binding portion of $8,804,410. The Supreme Administrative Court rejected in October 2023. The Company filed an appeal regarding the remaining payable amount of NT$ 23,421,708. In May 2025, the Kaohsiung High Administrative Court ruled that the Company is required to pay only NT$ 17,981,111, thereby waiving the remaining NT$ 5,440,597. The Company subsequently filed another appeal in June 2025 concerning the ruling amount. The case is currently under review by the Supreme Administrative Court.

18. Administrative disposition under Fu-Huan-Tu-Tze No. 1110077064

(1) Fact at issue:

Environmental Protection Bureau of the Tainan City Government, via its official letter under No. 1110077064 issued on July 20, 2022, required the Company to pay the relevant work plan expenses of the Anshun Site to the soil and groundwater pollution remediation fund account.

(2) Claimed value: NT$30,747,722

(3) Date of initiation: August 2022

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

In view of the statutory requirements, the Company paid the aforementioned fees in advance within the deadline required by the Tainan City Government, and filed an administrative appeal for relief in August of the same year. In February 2023, the Tainan City Government revoked the original administrative disposition of the Environmental Protection Bureau of the Tainan City Government. In April 2023, the Tainan City Government reduced the Company's expenses to NT $19,431,718 by another disposition. The Company filed an administrative appeal in May 2023. After the administrative appeal review committee dismissed the administrative appeal, the Company disagreed with the decision and filed an administrative litigation with the Kaohsiung High Administrative Court in December 2023.

19. Administrative disposition under Fu-Huan-Tu-Tze No. 1080136905

(1) Fact at issue:

Environmental Protection Bureau of the Tainan City Government, via its official letter under No. 1080136905 issued on December 13, 2019, required the Company to pay the relevant work plan expenses of the Anshun Site to the soil and groundwater pollution remediation fund account.

(2) Claimed value: NT$59,171,295

(3) Date of initiation: October 2020

(4) Parties:

Plaintiff: CPDC

Defendant: Tainan City Government

(5) Status:

In view of the statutory requirements, the Company paid the aforementioned fees in advance within the deadline required by the Tainan City Government and filed an administrative appeal for relief in the same year, which was dismissed by the Tainan City Government in August 2020. In October 2020, the Company filed an administrative litigation to the Kaohsiung High Administrative Court for relief in accordance with the law. In June 2022, the Kaohsiung High Administrative Court made the judgement that the Company was only required to pay NT$27,278,067. In July 2022, the Company filed an appeal to the Supreme Administrative Court against the unfavorable part. The Supreme Administrative Court made a judgement that the Company was responsible for the amount of NT $16,859,586, and was not responsible for the amount of NT $9,356,514, and moreover, the portion of NT $32,955,195 was reversed and remanded to the Kaohsiung High Administrative Court for trial. Both parties were dissatisfied with the first-instance retrial ruling and have filed appeals. The case is currently under review by the Supreme Court.

20. CPC Damage Compensation Case

(1) Fact at issue:

The Company owns four parcels of land in the Dongshan Section of Shulin District, New Taipei City, originally part of the Shulin Plant of Taiwan Alkali Co., Ltd. In April 1983, pursuant to a directive from the Ministry of Economic Affairs, Executive Yuan, the Company merged with Taiwan Alkali Co., Ltd. and assumed ownership of these lands, which were subsequently sold to CPC. In August 2010, the New Taipei City Department of Environmental Protection designated the land as a "Soil Pollution Control Site." Furthermore, in March 2011, under Letter Bei-Huan-Shui Zi No.1000010000, the New Taipei City Department of Environmental Protection recognized the Company, as the surviving entity following the merger with Taiwan Alkali Co., Ltd., as the party responsible for the pollution. CPC claims that, due to its cooperation with the Company in carrying out pollution control measures, it was unable to use the site normally and has requested compensation from the Company.

(2) Claimed value: NT$201,651,395

(3) Date of initiation: September 2025

(4) Parties:

Plaintiff: CPC

Defendant: CPDC

(5) Status:

The case is currently under first-instance review at the Taiwan Taipei District Court, and the judgment has not yet been determined.

§ Against affiliates:

1. Criminal Ruling on the Seizure of Land at Core Pacific Plaza

(1) Fact at issue:

The prosecutor of the Taiwan Taipei District Prosecutor's Office has alleged that former Taipei Mayor Wen-Je Ko, former Deputy Mayor Cheng-Sheng Pong, and others were involved in violations of the Anti-Corruption Act. It is asserted that Core Pacific Development Corporation unlawfully benefited from their misconduct, obtaining an illicit advantage in the form of a 20% building volume incentive for the land at Core Pacific Plaza. Consequently, in September 2024, the prosecutor filed a motion with the criminal division of the Taiwan Taipei District Court to seize the ownership of the Core Pacific Plaza land.

(2) Claimed value: NT$12,105,456,748

(3) Date of initiation: October 2024

(4) Parties:

Plaintiff: The prosecutor of the Taiwan Taipei District Prosecutor's Office

Participant: Core Pacific Development Corporation

(5) Status:

In September 2024, the Criminal Division of the Taiwan Taipei District Court initially approved the seizure ruling for this case. However, due to uncertainties in the original ruling, Core Pacific Development Corporation filed an appeal. The Criminal Division of the Taiwan High Court subsequently revoked the original ruling and remanded the case to the Taiwan Taipei District Court for reconsideration. In November 2024, the Taiwan Taipei District Court again approved the seizure ruling. Core Pacific Development Corporation, in accordance with legal procedures, filed another appeal. The Criminal Division of the Taiwan High Court revoked the ruling for the second time. In December 2024, the Taiwan Taipei District Court once again issued a seizure ruling. Core Pacific Development Corporation received the ruling in January 2025 and intends to file another appeal with the Criminal Division of the Taiwan High Court. Upon receipt of the aforementioned ruling in January 2025, Core Pacific Development Corporation filed a third interlocutory appeal with the Taiwan High Court Criminal Courts. The appeal was granted, the original ruling was revoked, and the case was remanded to the Taipei District Court, where it is currently under trial. On March 26, 2026, the Taiwan Taipei District Court ruled that criminal proceeds of NT$12,105,456,748 obtained by the subsidiary, Ding Yue Co., Ltd., shall be confiscated.

2. Litigation Case of the Former CEO of Core Pacific Development Corporation

(1) Fact at issue:

The prosecutor of the Taiwan Taipei District Prosecutor's Office alleges that former CEO of Core Pacific Development Corporation, Ching-Jing Sheen, was involved in delivering bribe payments in cash to former Taipei Mayor Wen-Je, Ko former Deputy Mayor Cheng-Sheng Pong, and others. He is further accused of jointly violating the Anti-Corruption Act and other related offenses.

(2) Claimed value: NT$12,105,456,748

(3) Date of initiation: December 2024

(4) Parties:

Plaintiff: The prosecutor of the Taiwan Taipei District Prosecutor's Office

Defendant: Ching-Jing Sheen

(5) Status:

In December 2024, after concluding its investigation, the Taipei District Prosecutors Office indicted Shen Ching-ching, the former Chief Executive Officer of Ding Yue Co., Ltd. The case is currently pending before the Criminal Division of the Taiwan Taipei District Court. In December 2025, the Taiwan Taipei District Court concluded oral arguments and, on March 26, 2026, rendered a judgment sentencing Shen Ching-ching to 10 years' imprisonment and imposing a fine of NT$20 million, which may be commuted to labor service, for jointly committing with public officials, as a non-public official, the offense of seeking unlawful gains in connection with matters under the officials' supervision. Additionally, prior to the case's exposure, Ching-Jing Sheen stepped down from his position as CEO in September 2024 upon the expiration of his term. This is hereby stated for clarification.

(XIII) Other important risks and response measures: N/A

VII. Other Important Matters: None.

Chapter 6 Special Disclosure

I. Information about Affiliates

(I) Consolidated operating report of affiliates: Please refer to the "Three Statements of Affiliated Enterprises" section on the Market Observation Post System.

(II) Consolidated financial statement of affiliates: Please refer to the "Three Statements of Affiliated Enterprises" section on the Market Observation Post System.

(III) Affiliate reports: None.

II. Private Placement of Securities for the Most Recent Year and Up to the Date of Publication of the Annual Report: None.

III. Supplementary Disclosure: None.

IV. Conditions that will Materially Affect Shareholders' Equity or Price of Securities as Referred to in Paragraph 3.2 of Article 36 of the Securities and Exchange Act:

Please refer to the report Pages 171~187 about litigations. Please refer to the 2025 Consolidated Financial Statements Pages 46~47 and Pages 56~57 about the land pollution case and the significant contingent liabilities and unrecognized contractual commitments referred to in the notes to financial statements.

China Petrochemical Development Corporation

Chairman: Ruey-Long Chen